

Highly Confidential - Subject to Further Confidentiality Review

1 IN THE UNITED STATES DISTRICT COURT
2 FOR THE NORTHERN DISTRICT OF OHIO
3 EASTERN DIVISION
4

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6 IN RE: NATIONAL PRESCRIPTION) MDL No. 2804
7 LITIGATION) Case No. 17-md-2804
8 This document relates to:) Hon. Dan A. Polster
9 All Cases)

10 -----x

11 HIGHLY CONFIDENTIAL - SUBJECT TO FURTHER
12 CONFIDENTIALITY REVIEW
13 VIDEOTAPED DEPOSITION OF TINA STEFFANIE-OAK
14 YORK, PENNSYLVANIA
15 MONDAY, MARCH 11, 2019
16 9:34 A.M.

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23

24 Reported by: Leslie A. Todd

<p style="text-align: right;">Page 2</p> <p>1 Deposition of TINA STEFFANIE-OAK, held at 2 the offices of: 3 4 5 6 7 BARLEY SNYDER 8 100 East Market Street 9 York, Pennsylvania 17401 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24</p>	<p style="text-align: right;">Page 4</p> <p>1 APPEARANCES (Continued): 2 3 ON BEHALF OF WALMART CORPORATION: 4 PAIGE E. ZIELINSKI, ESQUIRE (Telephonically) 5 JONES DAY 6 555 California Street, 26th Floor 7 San Francisco, California 94104 8 (415) 875-5788 9 10 ON BEHALF OF McKESSON CORPORATION: 11 ALEJANDRO BARRIENTOS, ESQUIRE (Telephonically) 12 COVINGTON & BURLING, LLP 13 850 10th Street, Northwest 14 Washington, DC 20001 15 (202) 662-6000 16 17 ON BEHALF OF HBC SERVICES: 18 PAUL M. MANNIX, ESQUIRE (Telephonically) 19 MARCUS & SHAPIRA, LLP 20 One Oxford Centre, 35th Floor 21 Pittsburgh, Pennsylvania 15219 22 (412) 471-3490 23 24</p>
<p style="text-align: right;">Page 3</p> <p>1 A P P E A R A N C E S 2 3 ON BEHALF OF PLAINTIFFS: 4 DONALD A. MIGLIORI, ESQUIRE 5 MOTLEY RICE, LLC 6 28 Bridgeside Boulevard 7 Mount Pleasant, South Carolina 29464 8 (843) 216-9000 9 10 ON BEHALF OF HENRY SCHEIN, INC.: 11 LAUREN MORGAN FINCHER, ESQUIRE 12 JOHN P. MCDONALD, ESQUIRE 13 LOCKE LORD LLP 14 600 Congress Avenue, Suite 2200 15 Austin, Texas 78701 16 (512) 305-4700 17 18 ON BEHALF OF THE WITNESS: 19 JUSTIN A. TOMEVI, ESQUIRE 20 BARLEY SNYDER 21 100 East Market Street 22 York, Pennsylvania 17401 23 (717) 852-4977 24</p>	<p style="text-align: right;">Page 5</p> <p>1 APPEARANCES (Continued): 2 3 ON BEHALF OF AMERISOURCEBERGEN DRUG CORPORATION: 4 SYLVIA WINSTON NICHOLS, ESQUIRE (Telephonically) 5 JACKSON KELLY, PLLC 6 150 Clay Street 7 Suite 500 8 Morgantown, West Virginia 26501 9 (304) 284-4138 10 11 ALSO PRESENT: 12 CHRIS RITONA (Videographer) 13 14 15 16 17 18 19 20 21 22 23 24</p>

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<p style="text-align: right;">Page 11</p> <p>1 PROCEEDINGS</p> <p>2 -----</p> <p>3 THE VIDEOGRAPHER: We are now on the</p> <p>4 record. My name is Chris Ritona. I'm the</p> <p>5 videographer with Golkow Litigation Services.</p> <p>6 Today's date is March 11, 2019, and the time is</p> <p>7 approximately 9:34 a.m.</p> <p>8 This video deposition is being held at</p> <p>9 Barley Snyder, 100 East Market Street, York, PA,</p> <p>10 in the matter of National Prescription Opiate</p> <p>11 Litigation, MDL No. 2804, Case No. 17-md-2804, for</p> <p>12 the court of -- for the United States District</p> <p>13 Court, Northern District of Ohio, Eastern</p> <p>14 Division.</p> <p>15 The deponent today is Tina</p> <p>16 Steffanie-Oak.</p> <p>17 And will all counsel please identify</p> <p>18 themselves for the record.</p> <p>19 MR. MIGLIORI: Good morning. Donald</p> <p>20 Migliori from Motley Rice on behalf of the</p> <p>21 plaintiff.</p> <p>22 MR. TOMEVI: Justin Tomevi from Barley</p> <p>23 Snyder on behalf of the witness.</p> <p>24 MS. FINCHER: Lauren Fincher from Locke</p>	<p style="text-align: right;">Page 13</p> <p>1 A Good morning.</p> <p>2 Q My name is Don Migliori. I will be</p> <p>3 asking you questions today.</p> <p>4 I think we're situated in a way where we</p> <p>5 should be able to hear each other pretty well, but</p> <p>6 if you don't hear me or if you don't understand my</p> <p>7 question, just let me know --</p> <p>8 A Okay.</p> <p>9 Q -- and I'll rephrase.</p> <p>10 Have you ever had your deposition taken</p> <p>11 before?</p> <p>12 A No.</p> <p>13 Q Okay. The most important rule for you</p> <p>14 is the court reporter is taking both of our words</p> <p>15 down. So it's critically important to not speak</p> <p>16 until I'm finished, and I'll do the same for you.</p> <p>17 A Okay.</p> <p>18 Q It will also give your counsel an</p> <p>19 opportunity to interpose an objection if necessary</p> <p>20 and give you instruction if necessary.</p> <p>21 But if you answer my question, I'll</p> <p>22 assume you've understood it. Okay?</p> <p>23 A Yes.</p> <p>24 Q Okay. The other helpful tip is that</p>

<p style="text-align: right;">Page 14</p> <p>1 gestures are not easily recorded, so I'll just ask</p> <p>2 you to verbally respond. If it's yes, please say</p> <p>3 "yes"; no, "no," and then the like.</p> <p>4 Do you have any questions before we get</p> <p>5 started?</p> <p>6 A No.</p> <p>7 (Steffanie-Oak Exhibit No. 1 was</p> <p>8 marked for identification.)</p> <p>9 BY MR. MIGLIORI:</p> <p>10 Q Okay. Let me show you what's been</p> <p>11 marked as Exhibit 1. This is just the notice for</p> <p>12 today. The copy I give you will be the one with</p> <p>13 the blue sticker.</p> <p>14 A Okay.</p> <p>15 Q And then I'll pass out copies to other</p> <p>16 folks.</p> <p>17 You understand you're here today in</p> <p>18 litigation that's pending in the Northern District</p> <p>19 of Ohio?</p> <p>20 A Yes.</p> <p>21 Q Okay. And we're going to primarily be</p> <p>22 speaking about your time working at Henry Schein.</p> <p>23 When were you received -- or when did</p> <p>24 you receive notice of this deposition?</p>	<p style="text-align: right;">Page 16</p> <p>1 then also counsel from Locke Lord, John and</p> <p>2 Lauren.</p> <p>3 Q How long did you meet yesterday?</p> <p>4 A Five hours.</p> <p>5 Q And what did you review? Generally</p> <p>6 speaking.</p> <p>7 A Just some documentation.</p> <p>8 Q Was the documentation provided to you to</p> <p>9 review?</p> <p>10 A Yes.</p> <p>11 Q Did you bring anything with you to</p> <p>12 review?</p> <p>13 A No.</p> <p>14 Q Did you review any testimony of prior</p> <p>15 witnesses?</p> <p>16 A No.</p> <p>17 Q You didn't read any transcripts --</p> <p>18 A No.</p> <p>19 Q -- or any -- did you speak to any other</p> <p>20 people at Henry Schein about your testimony today?</p> <p>21 A No.</p> <p>22 Q Other than the five hours you spent</p> <p>23 yesterday and the documents that you reviewed, did</p> <p>24 you do any other preparation for today?</p>
<p style="text-align: right;">Page 15</p> <p>1 A January. This January.</p> <p>2 Q Okay. And who contacted you about that?</p> <p>3 A I first was contacted by Sergio Tejada</p> <p>4 of Henry Schein to let me know that there was a</p> <p>5 chance that I may be called for a deposition, and</p> <p>6 had given Henry Schein counsel my phone number to</p> <p>7 contact me, and then Margie Hahn reached out to me</p> <p>8 in January.</p> <p>9 Q Okay. And did you talk substantively</p> <p>10 with Mr. Tejada about your testimony?</p> <p>11 A No.</p> <p>12 Q And then you said Margie contacted you</p> <p>13 later?</p> <p>14 A Correct.</p> <p>15 Q And when you spoke with Margie, was</p> <p>16 anything substantive discussed about your</p> <p>17 testimony?</p> <p>18 A No.</p> <p>19 Q When was the first time you met with any</p> <p>20 counsel to talk about the substance of your</p> <p>21 testimony?</p> <p>22 A Yesterday.</p> <p>23 Q And who did you speak with?</p> <p>24 A I spoke with my attorney, Justin, and</p>	<p style="text-align: right;">Page 17</p> <p>1 A No.</p> <p>2 Q You're here represented by counsel,</p> <p>3 correct?</p> <p>4 A Correct.</p> <p>5 Q And how did you retain counsel?</p> <p>6 A Through Henry Schein.</p> <p>7 Q Okay. So you had no prior relationship</p> <p>8 with your counsel before this deposition?</p> <p>9 A Correct.</p> <p>10 Q And I assume Henry Schein is paying for</p> <p>11 your counsel to be here?</p> <p>12 A Correct.</p> <p>13 Q Okay. Let's start by having you again,</p> <p>14 could you please tell the jury your full name and</p> <p>15 where you reside.</p> <p>16 A Sure. Tina Steffanie-Oak, and I reside</p> <p>17 in Mount Wolf, Pennsylvania.</p> <p>18 Q Who is your employer?</p> <p>19 A Integra Life Sciences.</p> <p>20 Q And what's your job?</p> <p>21 A International Regulatory Affairs</p> <p>22 manager.</p> <p>23 Q Generally speaking, what does that mean?</p> <p>24 A I work for a medical device firm, so I</p>

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1 assist with product registrations to market
 2 products in countries outside the U.S.
 3 Q In your current position, do you do any
 4 work with pharmaceuticals?
 5 A No.
 6 Q And you started this job when? When did
 7 you start this job?
 8 A At Henry Schein?
 9 Q No, this job here.
 10 A This particular job?
 11 Q Yeah.
 12 A 2012. March 2012.
 13 Q And you --
 14 MR. McDONALD: Well, let me just tell
 15 you, Don, I think she --
 16 MR. MIGLIORI: Yeah, I think she'd
 17 have -- yeah.
 18 BY MR. MIGLIORI:
 19 Q When did -- when did you start your job
 20 with your current employer?
 21 A Oh, I'm sorry. With my current employer
 22 was November 17, 2016.
 23 Q And was that immediately after you
 24 resigned from Henry Schein?

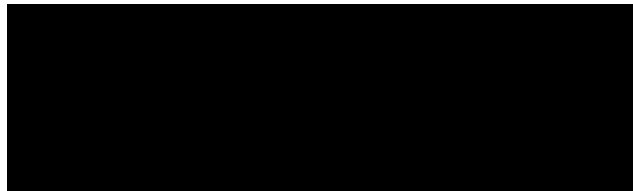
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1 A Yes, it was.
 2 Q Now, you started at Henry Schein in
 3 2004?
 4 A Correct.
 5 Q All right. So we'll spend most of today
 6 talking about from 2004, November of 2004 to
 7 November of 2016.
 8 But before we get to that, tell me about
 9 your educational background.
 10 A I have a bachelor's in business
 11 management.
 12 Q From where?
 13 A From Dowling College.
 14 Q And when did you graduate?
 15 A 1998, May.
 16 Q Okay. And what was your first
 17 employment after that?
 18 A I was -- well, I went to school in the
 19 evening, night, so I was employed.
 20 Q And where were you working?
 21 A Olympus America.
 22 Q What were you doing at Olympus?
 23 A I was an associate manager for a medical
 24 device company.

Page 20

1 Q And what did --
 2 A Regulatory affairs.
 3 Q I'm sorry. And what did that entail?
 4 A 510(k) submissions, again, related to
 5 product approvals in the U.S.; assisting with FDA
 6 inspections; writing procedures; approving
 7 labeling.
 8 Q And at that time all of your work was
 9 with medical devices?
 10 A Correct.
 11 Q Prior to joining Schein, had you done
 12 any work in the area of pharmaceuticals?
 13 A No.
 14 Q How long did you have the job at
 15 Olympus?
 16 A Almost seven years.
 17 Q How did you transition from Olympus to
 18 Henry Schein?
 19 A Olympus announced that they were going
 20 to be moving their headquarters from Long Island,
 21 New York, to Pennsylvania, and at that point in
 22 time I wasn't open to relocation. I wanted to
 23 stay on Long Island. So I searched for open
 24 employment, and I received the position at Henry

Page 21

1 Schein.
 2 (Steffanie-Oak Exhibit No. 2 was
 3 marked for identification.)
 4 BY MR. MIGLIORI:

 10 If you look on the bottom right corner
 11 of these pages, you'll see that there's something
 12 called a Bates number, and I'll generally refer to
 13 the last three numbers.
 14 So it says 971 on the page that I'm
 15 looking at. So if you look --
 16 A Oh, I'm sorry. Yes.
 17 Q Okay, we're on the same page? Okay.
 18 Is this your application for employment
 19 at Schein?
 20 A Yes.
 21 Q And this is dated October 8th, 2004.
 22 Does that sound to be around the time that you
 23 applied for this position?
 24 A Yes.

<p style="text-align: right;">Page 22</p> <p>1 Q It says "Employment desired," it says</p> <p>2 "Senior RA Analyst." Is that correct, on the</p> <p>3 bottom?</p> <p>4 A Correct.</p> <p>5 Q What is a senior RA analyst?</p> <p>6 A It's not a managerial position so I did</p> <p>7 not have staff reporting to me, so it was a</p> <p>8 professional level position.</p> <p>9 Q And what were your responsibilities in</p> <p>10 that position?</p> <p>11 A At Henry Schein at that time?</p> <p>12 Q Yes, mm-hmm.</p> <p>13 A Okay.</p> <p>14 Q Well, what -- what is it that you</p> <p>15 believed you were applying for, what position?</p> <p>16 A At the point in time that I actually</p> <p>17 applied, there wasn't an open job description. I</p> <p>18 knew someone who had handed in my resume. So at</p> <p>19 that point in time there were -- based on my</p> <p>20 qualifications and an acquisition that they were</p> <p>21 dealing with, my skill set was something that they</p> <p>22 were looking for. So 510(k) submissions again,</p> <p>23 helping them understand those.</p> <p>24 Q Who was the person that you knew there?</p>	<p style="text-align: right;">Page 24</p> <p>1 background in that position, correct?</p> <p>2 A Yes. Correct.</p> <p>3 Q And before that, from 1988 to '93, it</p> <p>4 says Langer. Is that right?</p> <p>5 A Langer.</p> <p>6 Q Langer. And what did you do at Langer</p> <p>7 from '88 to '93?</p> <p>8 A I started off as an administrative</p> <p>9 assistant, and then I was promoted into a -- an</p> <p>10 associate quality role. They were also a medical</p> <p>11 company, and at the time that I was promoted, they</p> <p>12 were introducing some products that were FDA</p> <p>13 regulated at that time.</p> <p>14 Q Okay. Again, nothing at Langer that was</p> <p>15 related to pharmaceuticals, correct?</p> <p>16 A Correct.</p> <p>17 Q And so it's fair to say that in your</p> <p>18 employment history prior to joining Henry Schein,</p> <p>19 you had no experience or background relative to</p> <p>20 pharmaceuticals or specifically controlled</p> <p>21 substances, correct?</p> <p>22 A Correct.</p> <p>23 Q The position that you were hired into --</p> <p>24 let's see. I think I'm -- well, let me ask you</p>
<p style="text-align: right;">Page 23</p> <p>1 A I didn't know him directly. It was</p> <p>2 through a colleague at Olympus. Amit Raksit.</p> <p>3 Q And so you applied for this position,</p> <p>4 and it looks like in your application you</p> <p>5 reference a couple other earlier employments.</p> <p>6 From '93 to '98 --</p> <p>7 A Yes.</p> <p>8 Q -- does it say Qosina?</p> <p>9 A Correct.</p> <p>10 Q What is that?</p> <p>11 A They were a medical component</p> <p>12 distributor.</p> <p>13 Q And what did you do for them?</p> <p>14 A I was their quality assurance manager.</p> <p>15 Q And those are medical devices?</p> <p>16 A Medical components, yes.</p> <p>17 Q Were they covered by FDA medical device</p> <p>18 regulations, as you understand them?</p> <p>19 A No.</p> <p>20 Q All right. And what kind of components?</p> <p>21 What did they go to?</p> <p>22 A A lot of components were for the IV</p> <p>23 sets.</p> <p>24 Q Okay. Again, no pharmaceutical</p>	<p style="text-align: right;">Page 25</p> <p>1 this. If you turn to the page that's got the</p> <p>2 Bates numbers 973. Do you see that?</p> <p>3 A Yes.</p> <p>4 Q Is this the curriculum vitae that you</p> <p>5 submitted to Henry Schein when you first applied?</p> <p>6 A Yes.</p> <p>7 Q And to the best of your recollection,</p> <p>8 this would describe your work history leading up</p> <p>9 to that application?</p> <p>10 A Yes.</p> <p>11 Q And it includes Olympus, Qosina and the</p> <p>12 Langer Biomechanics Group, correct?</p> <p>13 A Yes.</p> <p>14 Q All right. There's a page that ends in</p> <p>15 976. Are you on that page?</p> <p>16 A Yes, I am.</p> <p>17 Q Okay. This is dated October 18th, 2004,</p> <p>18 and it appears to be an offer letter for</p> <p>19 employment at Henry Schein.</p> <p>20 Does that document look familiar to you?</p> <p>21 A Yes.</p> <p>22 Q And these are the terms under which you</p> <p>23 were employed or hired by Henry Schein in October</p> <p>24 2004?</p>

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1 A Yes.

2 Q And you were to begin work, as I
3 understand from the rest of your file, on the
4 first paragraph of this, effective November 1st,
5 2004, reporting to Maurizio Romano, quality
6 assurance manager?

7 A Correct.

8 Q And again, this letter generally
9 describes your offer and the expectations and
10 responsibilities as you understood them when you
11 signed on to hire at Henry Schein, right?

12 A Correct.

13 Q It's signed by Joanne Gianninoto, human
14 resource specialist. And on the last page ending
15 in 978, that is your signature dated October 21st,
16 2004, correct?

17 A Yes.

18 Q All right. So you hire in at Schein
19 effective November 1st, 2004, and your background
20 at this point is in medical devices, correct?

21 A Correct.

22 Q And you are to then report to
23 Mr. Romano, correct?

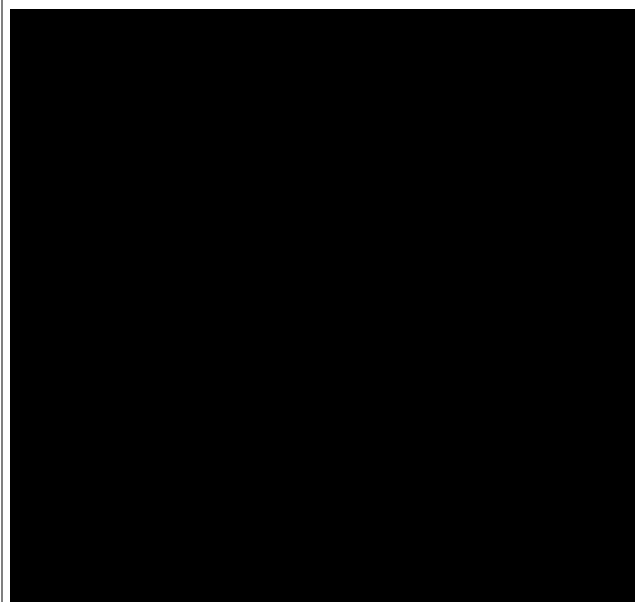
24 A Correct.

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1 (Steffanie-Oak Exhibit No. 3 was
2 marked for identification.)

3 BY MR. MIGLIORI:



20 MS. FINCHER: Object to form.

21 BY MR. MIGLIORI:

22 Q In terms of your role, not everybody
23 else's role.

24 A Yes.

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3 Q And what did that -- what did that
4 entail for you?

5 A I was involved in acquisitions for
6 medical device companies, so I would do due
7 diligence. I also would perform audits of
8 suppliers and internal -- Henry Schein sites or
9 subsidiaries. I was responsible for labeling
10 approval of corporate branded products, and I also
11 was responsible for supplier approvals.

12 Q These were all for medical devices,
13 correct?

14 A Some of the suppliers may have sold
15 pharmaceuticals, so it could have been a
16 combination, and supplier approvals.

17 Q Okay. What would your roles have been,
18 if any, with those suppliers as they related to
19 controlled substances? If you had any.

20 A I did not have any as far as controlled
21 substances. Only Rx pharmaceuticals.


22 Q Okay. So it's fair to say that from
23 2004, at least through this date, 2007, you were
24 not in any way involved with DEA compliance,

<p style="text-align: right;">Page 30</p> <p>1 suspicious order monitoring or anything like that, 2 correct? 3 A Correct. 4 Q And this position you held for how long? 5 A That was held until March of 2012. 6 Q Okay. So I have about ten different 7 appraisals in front of me here that I can avoid 8 with this one question. I'm giving you incentive. 9 A Okay. 10 Q It's fair to say that from 2004 through 11 2012, all of your responsibilities were outside 12 the realm of controlled substances, correct? 13 A Up until 2012, correct. 14 Q Okay. And your role at Henry Schein was 15 more directly related to or consistent with the 16 prior work you had been doing at Olympus in terms 17 of FDA regulatory applications, compliance, things 18 like that, correct? 19 A Correct. 20 Q At this point, through 2012, you had not 21 dealt with the DEA at all, correct? 22 A Correct. 23 Q And you had not dealt with any 24 Controlled Substances Act requirements, correct?</p>	<p style="text-align: right;">Page 32</p> <p>1 A Being responsible for DEA compliance. 2 Q All aspects of DEA compliance or a 3 particular area? 4 A Basically for the Henry Schein 5 distribution centers, the sites that distributed 6 controlled substances. 7 Q And how would you go about dealing with 8 DEA compliance for the distribution centers? How 9 did they explain it to you? Did they tell you it 10 involved travel? Did they tell you it involved 11 meeting with the DEA? What -- what more 12 specifically can you remember, if anything? 13 A They did indicate that some travel would 14 be involved. They did mention about customer site 15 visits, that I would be involved in those. 16 Q What did they tell you, if anything, 17 about the recently implemented Suspicious Order 18 Monitoring Program? 19 A During that conversation, that didn't 20 come up. 21 Q At that -- during that conversation, did 22 they talk to you at all about the "Know Your 23 Customer" due diligence project that was then 24 ongoing?</p>
<p style="text-align: right;">Page 31</p> <p>1 A Correct. 2 Q And your role at Henry Schein in quality 3 assurance was distinct from the role of those that 4 reported to Sergio Tejada in Regulatory Affairs, 5 correct? 6 A Correct. 7 Q All right. In 2012, you transitioned 8 over to a position in Regulatory Affairs, correct? 9 A Correct. 10 Q Tell me about how that came about. 11 A I was offered a promotion from Mike 12 DiBello and Sergio Tejada. So they approached me 13 about this position. 14 Q Okay. And what did they approach you -- 15 what did they tell you? 16 A I had been with the company for a number 17 of years, so there had been previous discussions 18 that I did want some advancement within the 19 company. So when they approached me about this 20 position, you know, they indicated that I was a 21 loyal employee, they felt that this was something 22 that I could handle, and they explained what the 23 position was. 24 Q What did they explain it to be?</p>	<p style="text-align: right;">Page 33</p> <p>1 A I don't recall. 2 Q Were you asked at any point in that 3 initial conversation or before you took the 4 position to take over the catchup project for the 5 due diligence files for existing controlled 6 substance customers? 7 MS. FINCHER: Object to the form. 8 BY MR. MIGLIORI: 9 Q Go ahead. 10 A During the conversation when they 11 offered the position, correct? Was that the 12 question? 13 Q Initially, yes. 14 A No. 15 Q When did they first ask you to assume a 16 position, if they did, where you would be 17 responsible for the due diligence project? 18 A Can I ask for clarification? So 19 specific to -- 20 Q Controlled substances. 21 A Just generally the responsibility. 22 Q Yes. 23 A So due to the fact that I didn't have 24 prior experience in this area, it was something</p>

<p style="text-align: right;">Page 34</p> <p>1 that I had to be trained into. So it wasn't an 2 immediate takeover of that responsibility. 3 Q Okay. 4 A So I probably -- at the point that I 5 became more heavily involved in it would have been 6 the summer of 2012. So around the August -- 7 Q Okay. 8 A -- time frame. 9 Q So who is it that trained you on due 10 diligence? 11 A Multiple sources. 12 Q And who are they? 13 A Internally through Henry Schein, I 14 shadowed with Mike DiBello, Sergio Tejeda, Craig 15 Schiavo. 16 We also worked with external 17 consultants, Pharma Compliance, and Buzzeo, 18 Cegedim. I also attended multiple outside 19 industry conferences that were available. So I 20 attended HDMA, the Cegedim PDMA conference that 21 they hold. If there were any DEA conferences that 22 were being held, I also attended those. And then 23 we -- I also joined NADDI, but I'm not sure if it 24 was in that exact time frame.</p>	<p style="text-align: right;">Page 36</p> <p>1 more specific. 2 BY MR. MIGLIORI: 3 Q Was it -- was there somebody else 4 primarily responsible for the due diligence 5 project when you first were asked to move over to 6 Regulatory Affairs? 7 MS. FINCHER: Object to form. 8 THE WITNESS: I guess I wouldn't 9 consider it a project. The process itself starts 10 with the department, our Verifications department 11 in Henry Schein. And then also Regulatory Affairs 12 would be involved in that process. 13 BY MR. MIGLIORI: 14 Q Okay. Maybe I -- that's a fair point. 15 Let me approach it this way. 16 You realize that by 2012 that Henry 17 Schein had come to the realization that they had a 18 lack of due diligence, both for onboarding new 19 customers and for existing customers, correct? 20 A No. 21 Q There was a deficiency. 22 MS. FINCHER: Object to the form. 23 THE WITNESS: No. 24 BY MR. MIGLIORI:</p>
<p style="text-align: right;">Page 35</p> <p>1 Q Okay. So I understand there were 2 essentially three sources of training. There was 3 internal training, primarily with Mr. DiBello and 4 Mr. Tejeda. There was some training with third- 5 party vendors, including Buzzeo. And then you 6 went to some conferences, including the Buzzeo 7 conferences, HDMA, potentially DEA. 8 Is that generally -- 9 MS. FINCHER: Object to form. 10 BY MR. MIGLIORI: 11 Q -- what you testified to was the sources 12 of -- of information? 13 A Yes. 14 Q Do you believe you did all of that in 15 2012 or is this over time? Was this sort of on 16 the job? 17 A It was continual. 18 Q Okay. But it started in 2012. 19 A Correct. 20 Q And who was performing the due diligence 21 task, if anybody, when you were first introduced 22 to that responsibility? 23 MS. FINCHER: Object to the form. 24 THE WITNESS: I -- I will need you to be</p>	<p style="text-align: right;">Page 37</p> <p>1 Q Okay. You -- you were not told of any 2 deficiency at Henry Schein in terms of the 3 completeness of due diligence files for your 4 customers in 2012? 5 A No. 6 Q All right. So no one shared with you 7 any of the third-party audits about the lack of 8 completeness with new customer questionnaires and 9 due diligence? 10 MS. FINCHER: Object to the form. 11 THE WITNESS: Not that I recall. 12 BY MR. MIGLIORI: 13 Q All right. And nobody shared with you 14 any of the reactions to the HDMA guidances 15 relative to due diligence? 16 MS. FINCHER: Object to the form. 17 THE WITNESS: Yes, they did, as far as 18 the guidance that HDMA was giving to the industry 19 and understanding the need for the process, but it 20 was more putting more resources into the process. 21 BY MR. MIGLIORI: 22 Q Okay. And -- and was that what you 23 understood your role to be, was to be additional 24 resources into the process?</p>

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1 A Yes.
 2 (Steffanie-Oak Exhibit No. 4 was
 3 marked for identification.)
 4 BY MR. MIGLIORI:



8 Do you recognize that to be you?
 9 A Yes.
 10 Q Okay. Let me ask you to turn to the
 11 second page in particular.
 12 Now, by the end of 2012, you have now
 13 moved over to Regulatory Affairs, correct?
 14 A Correct.
 15 Q And this is the first time that you're
 16 dealing with controlled substances in any job
 17 description, correct?
 18 A Correct.
 19 Q How did you educate yourself on what
 20 the -- the law is?
 21 A I read the CFR.
 22 Q Okay. So you know what the -- you then
 23 learned in this position what the Controlled
 24 Substances Act required of a distributor?

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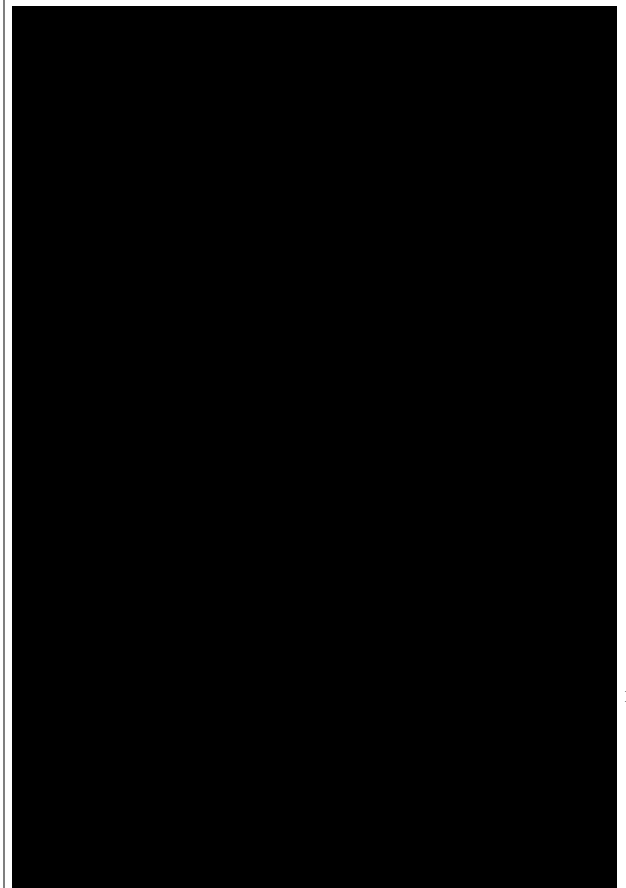
1 A Correct.
 2 Q And you understand that under the
 3 statute and the regulations, the distributors are
 4 referred to as DEA registrants?
 5 A Correct.
 6 Q And part of the obligations of the
 7 registrants then and today is to design and
 8 operate a system for the detection of suspicious
 9 orders, correct?
 10 A Correct.
 11 MS. FINCHER: Object to form.
 12 BY MR. MIGLIORI:
 13 Q And a component part of that obligation
 14 is an ongoing obligation to know your customer and
 15 perform due diligence, correct?
 16 A Correct.
 17 MS. FINCHER: Object to the form.
 18 BY MR. MIGLIORI:
 19 Q And that due diligence starts with
 20 bringing a new client on board into the company,
 21 correct? A new customer, correct?
 22 A Correct.
 23 Q And as of 2012, nobody shared with you
 24 any third-party observation that the only due

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1 diligence being performed at Henry Schein for a
 2 new customer was just verifying a DEA license?
 3 MS. FINCHER: Object to form.
 4 THE WITNESS: No.
 5 BY MR. MIGLIORI:
 6 Q If that were true, is that something you
 7 would have liked to have seen?
 8 A Yeah --
 9 MS. FINCHER: Object to the form.
 10 THE WITNESS: Yes.
 11 BY MR. MIGLIORI:



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Page 42



14 So at this point, did you become the
15 contact person for folks in the Verifications
16 department?
17 A Yes.
18 Q And at that time was Shaun Abreu the
19 head of the Verifications department?
20 A He was -- he wasn't the head of the
21 department, but he was -- he was in the
22 department, yes. He was my contact.
23 Q Okay. Who was the head of the
24 department?

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1 MS. FINCHER: Object to the form.
2 THE WITNESS: It would be Bill Brandt,
3 because that's who he would have reported into
4 eventually.
5 BY MR. MIGLIORI:
6 Q Okay. But your contact with
7 Verifications was Shaun, correct?
8 A Correct.
9 Q You developed new and enhanced existent
10 policies and procedures related to the HSI
11 Suspicious Order Monitoring System and "Know Your
12 Customer" function.
13 What new -- let's start with new. What
14 new policies and procedures did you bring to Henry
15 Schein's Suspicious Order Monitoring System and
16 "Know Your Customer" function?
17 MS. FINCHER: Object to the form.
18 THE WITNESS: It was related to the
19 "Know Your Customer" due diligence process. So
20 there were enhancements to the questionnaires that
21 we would use to send to the customers, the "Know
22 Your Customer" form. Also developing audit
23 checklists that we would use during site --
24 customer site visits.

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1 BY MR. MIGLIORI:
2 Q Okay. Anything else you can think of?
3 A I don't recall.
4 Q Do you recall if in 2012 there was a
5 standard operating procedure in place for new
6 customer due diligence?
7 A I -- yes.
8 Q Yes, you recall or, yes, there was?
9 A Yes, I recall.
10 Q And what -- what's the answer?
11 A Yes.
12 Q Okay. And did you do anything to
13 enhance or change that in 2012?
14 A I -- I don't recall specifically, other
15 than the "Know Your Customer" forms themselves.
16 Q Okay. Did you update the standard
17 operating procedures with the new form
18 information?
19 A I believe that would have been under
20 Shaun.
21 Q Okay. You didn't do it, to your
22 recollection?
23 A No.
24 Q It says you also performed a significant

Page 45

1 number of customer due diligence assessments
2 visits.
3 Do you know how many you would have done
4 between August and December of 2012?
5 A No, I don't recall.
6 Q Do you know how you prioritized which
7 customer visits for due diligence you undertook?
8 A As an overall, not just myself you
9 mean --
10 Q Yeah.
11 A -- correct?
12 Q Well, that's fine.
13 A Yeah, I -- I'm sorry.
14 Q Do you recall the question?
15 A Yeah, I recall the question. I had to
16 reprioritize the site -- the site visits.
17 Basically if it -- new -- new customers, it was
18 based on territory, where the customers were
19 located. At that point in time they would be
20 assigned based off of that.
21 Q Did you prioritize based on volume of
22 business?
23 MS. FINCHER: Object to the form.
24 THE WITNESS: That would be one

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1 criteria, yes.

2 BY MR. MIGLIORI:

3 Q Did you prioritize based on risk of
4 diversion?

5 A Yes.

6 Q And how did you assess that?

7 A Through review of the "Know Your
8 Customer" due diligence information that had been
9 prepared.

10 Q What if there hadn't been any due
11 diligence information in the file?

12 A I don't recall a situation where we
13 didn't have any.

14 Q Well, okay. You don't recall looking at
15 any files in 2012 where there were no -- there was
16 no due diligence in the file other than
17 verification of registration?

18 MS. FINCHER: Object to the form.

19 THE WITNESS: In relation to a planned
20 site visit, no.

21 BY MR. MIGLIORI:

22 Q Okay. So you did not, in prioritizing
23 planned site visits in 2012, look for those places
24 for which you had no due diligence.

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1 MS. FINCHER: Object to the form.

2 BY MR. MIGLIORI:

3 Q In the file. Correct?

4 MS. FINCHER: Object to the form.

5 THE WITNESS: In order to set up the
6 site visit, we would've had to have had some
7 information to review and make a determination.

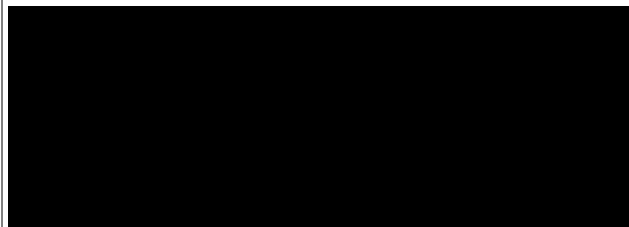
8 BY MR. MIGLIORI:

9 Q You will agree with me at this point
10 there were files that had insufficient information
11 for you to make those decisions as of 2012,
12 correct?

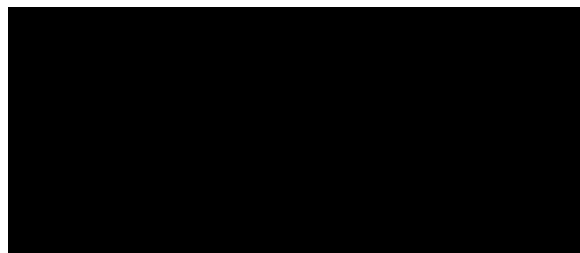
13 MS. FINCHER: Object to the form.

14 THE WITNESS: I would say no. Because
15 we made the decision to do a site visit, so we
16 would have had some information to base that
17 decision off of.

18 BY MR. MIGLIORI:



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8 Who developed the DEA-focused audits?

9 A I don't recall specifically.

10 Q So these were audits that were already
11 in place that you just joined in on, or are these
12 audits that you came up with? If you recall.

13 A I'm sorry, I misunderstood the first
14 question.

15 Q Sure. It says conduct the focused
16 audits. Were these --

17 A Oh, okay.

18 Q -- new types of audits, or were these
19 ongoing or regular occurring audits that you then
20 joined when you joined this department?

21 A They were ongoing audits that were
22 performed by other employees until I came into the
23 role.

24 Q Okay. And then it says you conducted

Page 49

1 trainings. What kind of trainings did you conduct
2 in 2012 on DEA audits?

3 A I performed mock DEA audits at our
4 distribution centers.

5 Q Do you know which distribution centers
6 service Ohio?

7 A Denver, Pennsylvania can service it.
8 All Schedule IIs had only come out of the
9 Indianapolis facility, but technically any of the
10 distribution centers other than Schedule IIs could
11 ship into Ohio based on availability of the
12 product.

13 Q All controlled substances, including
14 opioid narcotics, came out of the Indianapolis
15 distribution center?

16 A All Schedule IIs.

17 Q Right. And that includes OxyContin,
18 oxycodone, hydrocodone, correct?

19 A As of now, correct. In 2012,
20 hydrocodone wasn't a Class II.

21 Q Where did the Class IIIs come out of in
22 2012, which distribution center?

23 A All of them.

24 Q Do you know which would have supplied

Page 50

1 Ohio?

2 A Based on territory, I would say that the

3 Denver, Pennsylvania distribution center would

4 have been the closest.

5 Q Okay. Is that generally the preference

6 in the -- in the Schein system that the closest

7 distributing -- distribution center fill those

8 orders if they had the supply?

9 A Correct.

10 Q So more likely than not for the

11 northern -- for the Cleveland, Cuyahoga, Summit

12 County areas of Ohio, hydrocodone, until it was

13 reclassified as a Schedule II drug in 2014,

14 hydrocodone would have been most likely shipped

15 out of the Denver, Pennsylvania distribution

16 center, correct?

17 A Correct.

18 MS. FINCHER: Object to the form.

19 BY MR. MIGLIORI:

20 Q All right. In these trainings, did you

21 have any materials, any training materials,

22 handouts, booklets? Was there something that you

23 used to train?

24 A There would have been something, yes.

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1 Q And do you recall what it was called?

2 A Not at this time in 2012.

3 Q Was it a paper handout, was it online,

4 do you know?

5 A It -- we had an audit checklist that we

6 would work off of. I -- I don't recall handing

7 out anything specifically after the audits.

8 Q What -- what kinds of things were on the

9 audit -- audit checklist?

10 A It basically was set up to follow the

11 requirements under the CFR. So it would talk

12 about receipts of controlled substances, inventory

13 records that are required to be kept, shipment

14 records that are required to be kept,

15 reconciliation of inventory.

16 Q What, if anything, did the checklist

17 have relative to due diligence and due diligence

18 files?

19 A It did ask whether or not there was a

20 system in place, and whether or not there was due

21 diligence --

22 Q Okay.

23 A -- available.

24 Q Did it have specifics about new

Page 52

1 customers?

2 A Not that I recall, no.

3 Q Did it have any components that talked

4 about background checks of new customers?

5 A No, because these audits were being done

6 at the distribution center, and that process was

7 not handled at the -- at that level. So no.

8 Q Okay. So the due diligence components

9 were handled by the Verifications department and

10 not at the distribution centers; is that correct?

11 MS. FINCHER: Object to form.

12 THE WITNESS: Verifications in the

13 corporate office managed the due diligence

14 process.

15 BY MR. MIGLIORI:

16 Q Okay. Distribution centers did not,

17 correct?

18 A They did not manage the process,

19 correct.

20 Q They helped execute it, implement the --

21 the shipment -- would it ship directly from the

22 distribution center to the physicians?

23 A Yes.

24 Q Was there a process at the distribution

Page 53

1 center -- let's stick to Indianapolis and

2 controlled substances. Was there a process at the

3 Indianapolis distribution center to check the due

4 diligence file before shipment?

5 MS. FINCHER: Object to form.

6 Q In 2012?

7 A I -- I don't know.

8 Q Would the distribution center in

9 Indianapolis have access to the due diligence file

10 prior to shipment in filling a physician's order?

11 MS. FINCHER: Object to the form. Lack

12 of foundation.

13 THE WITNESS: I don't know. I wasn't

14 involved directly in that part of it.

15 BY MR. MIGLIORI:

16 Q If that existed, that wasn't part of the

17 training that you did at the distribution centers

18 for DEA audits?

19 MS. FINCHER: Object to the form.

20 THE WITNESS: Correct. I -- I did not

21 do training specifically myself at Indianapolis.

22 So no, I wasn't part.

23 BY MR. MIGLIORI:

24 Q What about for hydrocodone, was there

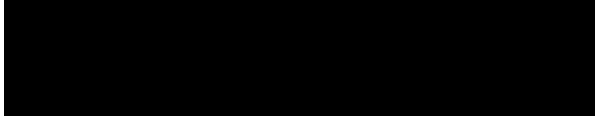
<p style="text-align: right;">Page 54</p> <p>1 any special process that you can recall in your</p> <p>2 training that's referred to in your performance</p> <p>3 evaluation relative to hydrocodone and</p> <p>4 controlled -- and Schedule III drugs?</p> <p>5 A I'm sorry. Can you rephrase the</p> <p>6 beginning?</p> <p>7 Q Sure.</p> <p>8 A I don't know what the question exactly</p> <p>9 was.</p> <p>10 Q Do you recall in your training that's</p> <p>11 referenced in this document, Exhibit No. 4, in</p> <p>12 this training that you would give, if there was</p> <p>13 anything specific to hydrocodone and Schedule III</p> <p>14 drugs?</p> <p>15 A What we would speak to the -- the team</p> <p>16 about is what drugs we knew were being abused and</p> <p>17 that were potentially to be diverted. So that was</p> <p>18 part of the discussion.</p> <p>19 Q Which drugs did you tell the team were</p> <p>20 being abused and potentially diverted?</p> <p>21 A Opioids. And also some other, Xanax</p> <p>22 and --</p> <p>23 Q Did that include hydrocodone?</p> <p>24 A Yes.</p>	<p style="text-align: right;">Page 56</p> <p>1 reported.</p> <p>2 Q Okay. What about suspicious orders, did</p> <p>3 anything come out of that audit training relative</p> <p>4 to suspicious order reporting?</p> <p>5 A I don't recall at that time in 2012</p> <p>6 specifically.</p> <p>7 Q Okay. What about reporting to states</p> <p>8 for those states that had reporting requirements?</p> <p>9 Was there anything in that training?</p> <p>10 A No, not for the distribution centers</p> <p>11 because they were not involved in that process.</p> <p>12 Q Who handled the state reporting process</p> <p>13 in 2012?</p> <p>14 MS. FINCHER: Object to the form.</p> <p>15 BY MR. MIGLIORI:</p> <p>16 Q If you know.</p> <p>17 A It would have been between Regulatory</p> <p>18 and Verifications.</p> <p>19 Q This has come up a few times. What does</p> <p>20 that mean, it would be between Verifications and</p> <p>21 Regulatory, specific to state reporting</p> <p>22 requirements?</p> <p>23 A At that point in time, some reports may</p> <p>24 have been run by Verifications for certain states,</p>
<p style="text-align: right;">Page 55</p> <p>1 Q And what was the training -- what more</p> <p>2 specifically, if you can recall, was that</p> <p>3 training? Did you just tell them which drugs they</p> <p>4 were? Did you tell them anything else in</p> <p>5 particular?</p> <p>6 A Just reemphasizing security of those</p> <p>7 drugs, making sure that the processes were always</p> <p>8 being followed. That's all that I recall.</p> <p>9 Q Okay. Was there a particular paperwork</p> <p>10 or reporting requirements that were specific to</p> <p>11 the distribution centers in this training?</p> <p>12 MS. FINCHER: Object to the form.</p> <p>13 THE WITNESS: It was a mock audit or</p> <p>14 internal audit. So, again, we had a checklist</p> <p>15 that we would use, so that was filled out, and</p> <p>16 then a report would be generated if there were any</p> <p>17 potential issues, and to document that the audit</p> <p>18 took place.</p> <p>19 BY MR. MIGLIORI:</p> <p>20 Q Did that audit involve anything to do</p> <p>21 with ARCOS data? Or ARCOS reporting requirements?</p> <p>22 A Yes.</p> <p>23 Q And what do you recall?</p> <p>24 A Confirmation that ARCOS was being</p>	<p style="text-align: right;">Page 57</p> <p>1 and other states may have been run for -- by</p> <p>2 Regulatory.</p> <p>3 Q Do you know in 2012 who was supposed to</p> <p>4 be running Ohio's state reporting requirements?</p> <p>5 A No.</p> <p>6 Q Do you know at any point after that 2012</p> <p>7 who was supposed to be running Ohio's reporting</p> <p>8 requirements?</p> <p>9 MS. FINCHER: Object to the form.</p> <p>10 THE WITNESS: I know that eventually all</p> <p>11 the state reporting came under regulatory's</p> <p>12 responsibility.</p> <p>13 BY MR. MIGLIORI:</p> <p>14 Q Did you have any responsibilities with</p> <p>15 respect to state reporting requirements?</p> <p>16 A Not directly, no.</p> <p>17 Q How were you indirectly involved?</p> <p>18 A I don't remember what year it was. It</p> <p>19 wasn't for the first couple of years that I was in</p> <p>20 the position. Once it transferred under</p> <p>21 Regulatory, I had a staff member that was</p> <p>22 responsible for running the reports.</p> <p>23 Q And did that staff member report</p> <p>24 directly to you?</p>

<p style="text-align: right;">Page 58</p> <p>1 A Yes.</p> <p>2 Q Did you become aware that for almost a</p> <p>3 two-year period of time, that Henry Schein had not</p> <p>4 been reporting at all to the Ohio Board of</p> <p>5 Pharmacy?</p> <p>6 MS. FINCHER: Object to the form.</p> <p>7 THE WITNESS: No.</p> <p>8 BY MR. MIGLIORI:</p> <p>9 Q But that responsibility at some point</p> <p>10 fell on your staff member, correct?</p> <p>11 A Correct.</p> <p>12 Q Do you know what years?</p> <p>13 A No.</p> <p>14 Q And ultimately you reported throughout</p> <p>15 this period of time to Sergio Tejada?</p> <p>16 A Correct.</p> <p>17 Q Did you have -- beginning in 2012 going</p> <p>18 through 2016, did you have regular meetings about</p> <p>19 DEA compliance with your Regulatory team?</p> <p>20 A Yes.</p> <p>21 Q When did those start? Were they ongoing</p> <p>22 when you got there or did they begin sometime</p> <p>23 after?</p> <p>24 A They were ongoing as part of training,</p>	<p style="text-align: right;">Page 60</p> <p>1 specifically, though, with regularly scheduled</p> <p>2 meetings, that is, a weekly meeting, a monthly</p> <p>3 meeting, a quarterly meeting.</p> <p>4 Did you have any kind of organizational</p> <p>5 meeting or regular reporting meeting with your</p> <p>6 supervisors, whether or not it included</p> <p>7 Verifications?</p> <p>8 A No.</p> <p>9 Q Okay. And that was through 2016?</p> <p>10 A Correct.</p> <p>11 Q Were you ever part of a team of -- of</p> <p>12 specific people within Regulatory to -- well,</p> <p>13 strike that.</p> <p>14 There's a reference in your appraisal to</p> <p>15 conducting audits. Was there an audit team? In</p> <p>16 2012, let's start there.</p> <p>17 A In reference to these conducted DEA-</p> <p>18 focused audits?</p> <p>19 Q Yeah.</p> <p>20 A As far as the internal sites that were</p> <p>21 done at -- for Henry Schein, it would have been my</p> <p>22 team, once they were trained. So it would have</p> <p>23 been myself, Ken and Glenn.</p> <p>24 Q Okay.</p>
<p style="text-align: right;">Page 59</p> <p>1 bringing on the new hires, and also meeting</p> <p>2 internally.</p> <p>3 Q And how often did you meet?</p> <p>4 A With my staff, it was at least once a</p> <p>5 week.</p> <p>6 Q Were there minutes to those meetings?</p> <p>7 A No.</p> <p>8 Q Did you report out your meetings to</p> <p>9 anybody above you?</p> <p>10 A Not -- no, not the specific ones. I may</p> <p>11 have had conversations with Sergio as far as the,</p> <p>12 you know, training of each of the new hires, kind</p> <p>13 of where they were at.</p> <p>14 Q From 2012 to 2016, did you have regular</p> <p>15 meetings with those above you, with Sergio, with</p> <p>16 Mr. DiBello, Mr. Peacock?</p> <p>17 MS. FINCHER: Object to the form.</p> <p>18 THE WITNESS: I would -- yes. Mike</p> <p>19 DiBello wasn't there then. But also for</p> <p>20 Verifications, we were in contact on a daily</p> <p>21 basis, so we also had scheduled meetings but it</p> <p>22 was a constant communication.</p> <p>23 BY MR. MIGLIORI:</p> <p>24 Q Okay. I'm focusing right now</p>	<p style="text-align: right;">Page 61</p> <p>1 A And Sergio if we needed him.</p> <p>2 Q Was there anybody between 2012 and 2016</p> <p>3 added to that team?</p> <p>4 A Yes.</p> <p>5 Q Who was that?</p> <p>6 A Beverly Butcher.</p> <p>7 Q Okay. And what was her title?</p> <p>8 A Senior Regulatory specialist.</p> <p>9 Q Okay. And who -- anyone else?</p> <p>10 A I'm just trying to remember the year.</p> <p>11 So Liam Schauer.</p> <p>12 Q Okay. Anyone else you can think of?</p> <p>13 A Pete Schmidt. He was not a new hire,</p> <p>14 but he was moved into my team.</p> <p>15 Q Okay. How often were these audits done?</p> <p>16 A The mock audits were done once a year.</p> <p>17 Q And were you the project leader for the</p> <p>18 mock audits?</p> <p>19 A I would say no. I mean, each -- each of</p> <p>20 my staff was -- they were at a distribution center</p> <p>21 or the corporate office, so they were responsible</p> <p>22 for that site. I was a project leader as far as</p> <p>23 making sure they got completed.</p> <p>24 Q Okay. So you didn't actually actively</p>

<p style="text-align: right;">Page 62</p> <p>1 participate yourself in all of the audits. You 2 coordinated them. Is that a fair statement? 3 A Yes. 4 Q All right. Did you actively participate 5 in any yourself? 6 A Yes. 7 Q Was that throughout the entire period or 8 mostly in the beginning or -- 9 A The entire period. 10 Q All right. And what would your specific 11 role be in audits? 12 A So I was based in the Denver, 13 Pennsylvania facility, so I would conduct a mock 14 audit once a year. 15 Q Okay. And that's where the hydrocodone 16 would have come into Ohio? 17 MS. FINCHER: Object to the form. 18 THE WITNESS: Correct. Up until it was 19 reclassified. 20 BY MR. MIGLIORI: 21 Q Okay. And so you had those 22 responsibilities from 2012 to 2014, when it was 23 reclassified, correct? 24 A Yes.</p>	<p style="text-align: right;">Page 64</p> <p>1 A Excuse me. I can't say if it was done 2 every year for Indianapolis because I wasn't 3 directly -- 4 Q Okay. 5 A -- involved then. 6 Q Did those reports get electronically 7 uploaded into the system? 8 A The -- yeah, a scanned PDF was saved to 9 a folder. 10 Q And what was that folder called, if you 11 recall? 12 A I don't remember. 13 Q And was that in the JDE system? 14 A No. 15 Q Where did those reports go? 16 A In a folder on a -- a shared folder. 17 There again, they were PDF scanned, so... 18 Q If somebody else wanted to review them, 19 where would they go on their computer? 20 A It would have been on a shared 21 Regulatory drive. 22 Q Okay. Was that accessed only by folks 23 in the Regulatory team? 24 A Yes.</p>
<p style="text-align: right;">Page 63</p> <p>1 Q Did you find -- in your audits, did you 2 find any observations of -- of DEA risks of 3 enforcement relative to hydrocodone? 4 A No. 5 MS. FINCHER: Object to the form. 6 BY MR. MIGLIORI: 7 Q You did not? 8 A No. 9 Q If you had found any observations or 10 risks for DEA enforcement, would that end up in a 11 checklist, a memorandum, or a report? 12 A Yes. 13 MS. FINCHER: Objection to the form. 14 BY MR. MIGLIORI: 15 Q And what would that report be called? 16 A An audit report. 17 Q Okay. And so for every distribution 18 center, if I were to look, there should be an 19 audit report once a year from somebody within your 20 team, correct? 21 A Correct. 22 Q And that's true for Denver, 23 Pennsylvania. That's also true for the 24 Indianapolis distribution center, correct?</p>	<p style="text-align: right;">Page 65</p> <p>1 Q All right. So Sergio Tejada, the entire 2 time you were in Regulatory, was your immediate 3 supervisor, correct -- or was one of your 4 supervisors, correct? 5 A Yes. 6 Q Your first report was to Mr. Romano? 7 A Not under this role, no. 8 Q Not under this role. Oh, Mr. Romano was 9 under your -- your medical device role? 10 A Correct. 11 Q So when you switched over, your 12 immediate report was to Sergio Tejada, correct? 13 A Yes. 14 Q In 2012, correct? 15 A Correct. 16 Q All right. And so Mr. Tejada would have 17 access to all of these annual audits of the 18 distribution centers, correct? 19 A Correct. 20 MS. FINCHER: Object to the form. 21 BY MR. MIGLIORI: 22 Q And do you know whether there was a 23 document retention policy relative to those audit 24 reports?</p>

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1 MS. FINCHER: Object to the form.
 2 THE WITNESS: Yes.
 3 BY MR. MIGLIORI:
 4 Q What is that?
 5 A I don't recall what -- how many years,
 6 but there was a policy.
 7 Q Okay. Did you review any of those
 8 audits in preparation for today?
 9 A No.
 10 Q Counsel didn't bring any of those
 11 with -- with them to show you yesterday?
 12 A No.
 13 MR. MIGLIORI: Why don't we take a
 14 break. It's been an hour.
 15 MS. FINCHER: Sure.
 16 THE VIDEOGRAPHER: 10:33, we are off the
 17 record.
 18 (Recess.)
 19 THE VIDEOGRAPHER: 10:45, and we are on
 20 the video record.
 21 BY MR. MIGLIORI:

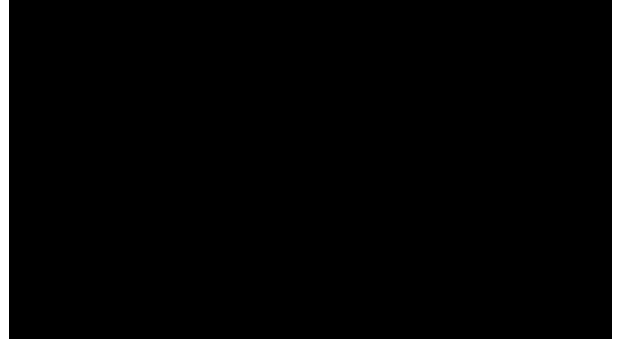


Page 67

1 How much of a backlog did you realize in
 2 2012 had developed at Henry Schein?
 3 MS. FINCHER: Object to the form.
 4 THE WITNESS: I'm sorry. How much of a
 5 backlog?
 6 BY MR. MIGLIORI:
 7 Q Yeah. Do you recall?
 8 A This -- I recall specifically what this
 9 is referring to.
 10 Q Okay. What was that?
 11 A Basically what this was referring to was
 12 as new customer due diligence was being put
 13 together, it had to be reviewed by Regulatory.
 14 Because we at that point in time had lost some of
 15 the staff, it was just taking longer because it
 16 was less people to review it. So it wasn't a
 17 significant backlog. It was just if we had more
 18 staff, it would have been reviewed quicker.
 19 Q You don't recall actually quantifying
 20 that backlog?
 21 MS. FINCHER: Object to the form.
 22 THE WITNESS: I don't recall
 23 specifically here, no. I just remember it was not
 24 significant.

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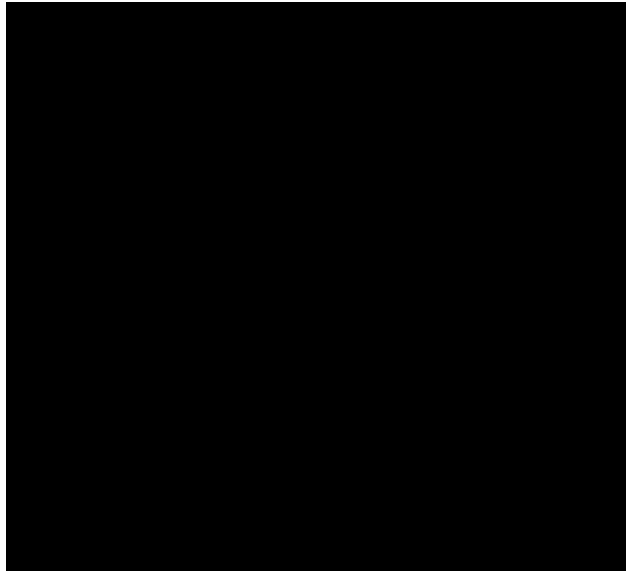
1 BY MR. MIGLIORI:
 2 Q Not significant.
 3 MR. MIGLIORI: Just give me one second.
 4 I'm sorry. Not off the record -- I'm just -- just
 5 bear with me.
 6 (Steffanie-Oak Exhibit No. 5 was
 7 marked for identification.)
 8 BY MR. MIGLIORI:



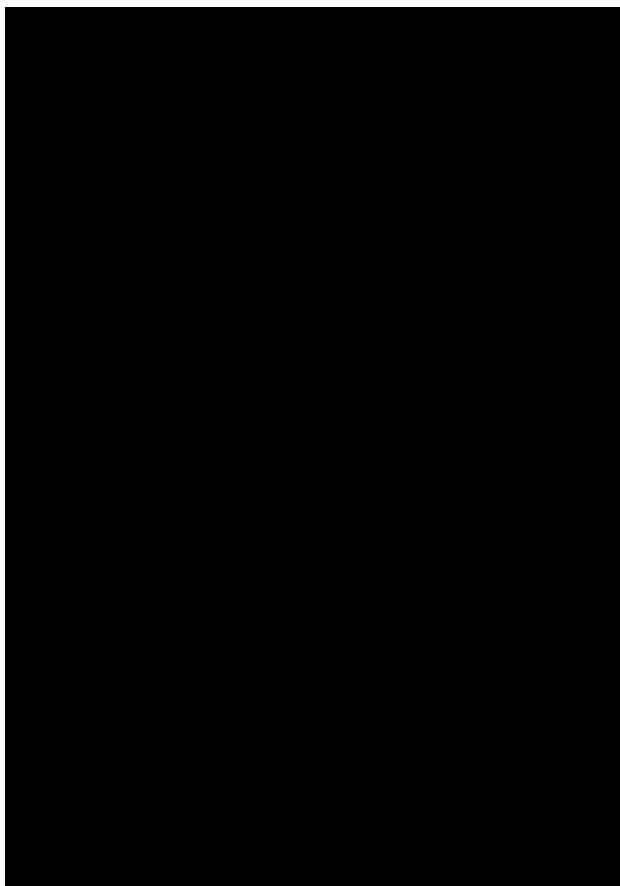
18 Q And at this time Jeff Peacock is in
 19 Mr. DiBello's role?
 20 A Correct.
 21 Q So Sergio Tejeda reports to Jeff
 22 Peacock, correct?
 23 A Correct.
 24 Q Have you seen this e-mail before?

Page 69

1 A No. No.
 2 Q Let me show you -- so if you go to the
 3 first page -- the last page. So e-mails, as we go
 4 through this, read back to front --
 5 A Mm-hmm.
 6 Q -- because they're a string.
 7 There is an e-mail from Jeff Peacock to
 8 several people, including you.
 9 A Mm-hmm.



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1 correct?

2 MS. FINCHER: Object to the form.

3 THE WITNESS: No.

4 BY MR. MIGLIORI:

5 Q What percentage of Schein customers
6 were -- were individual physicians or individual
7 practices as opposed to dispensaries?

8 MS. FINCHER: Object to the form.
9 Foundation.

10 THE WITNESS: I wouldn't know the
11 percentage, but I wasn't referring to
12 dispensaries. I -- I'm not sure what you mean by
13 that.

14 BY MR. MIGLIORI:

15 Q Okay. Well, let me ask you maybe a
16 little differently. Of the 1560 new accounts
17 ordering substances -- controlled substances each
18 year, how many of those are individual physicians
19 or private practices, what percentage?

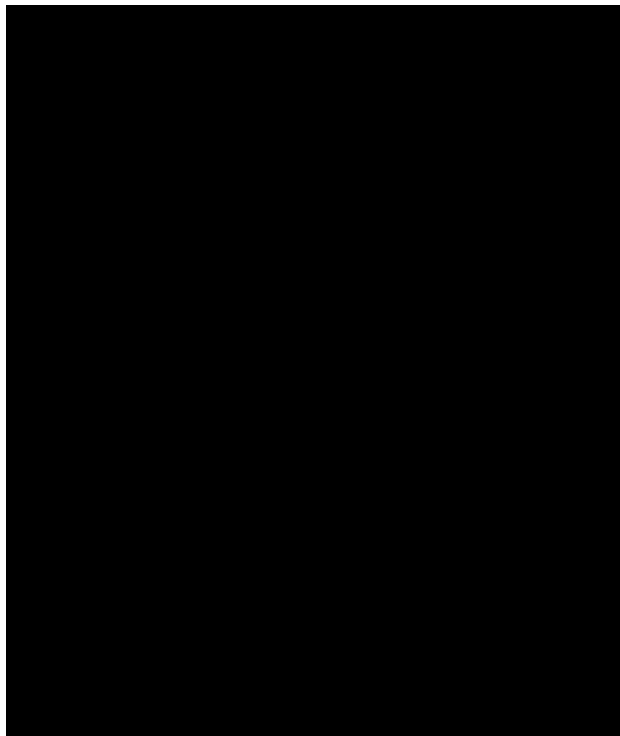
20 MS. FINCHER: Object to the form.
21 Foundation.

22 THE WITNESS: I don't know.

23 BY MR. MIGLIORI:

24 Q You would agree with me that Henry

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Page 73

1 Schein's general business model was not to be a
2 supplier to pharmacies as much as directly to
3 physicians and their practices, correct?

4 A Correct.

5 Q And of the 1500, you have no idea how
6 many are physicians and their practices?

7 A No.

8 Q Are they the vast majority of them?

9 MS. FINCHER: Object to the form.

10 THE WITNESS: I'm not -- I'm not sure.
11 It's -- you're saying individual doctors, like
12 you're saying one --

13 BY MR. MIGLIORI:

14 Q Or their practices.

15 A Yes. I would say yes.

16 Q Okay. So let me make sure it's clear.

17 The vast -- it's -- of the 1560 new
18 accounts that Henry Schein was onboarding each
19 year that were intending to order controlled
20 substances, the vast majority of those were
21 individual physicians or private practices,
22 correct?

23 MS. FINCHER: Object to the form.

24 THE WITNESS: Correct.

21 MS. FINCHER: Object to the form.

22 BY MR. MIGLIORI:

23 Q And these customers that you're talking
24 about are primarily individual physicians,

Page 74

1 BY MR. MIGLIORI:

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 [REDACTED]

8 [REDACTED]

9 Q "I learned from a recent conversation

10 with Shaun Abreu, Verifications manager, that the

11 number of active accounts ordering controlled

12 substance products is now closer to 40,000, and

13 that we have completed due diligence for about

14 13,000 accounts."

15 Were you aware of that information from

16 Shaun Abreu?

17 A At that point --

18 MS. FINCHER: Object to the form.

19 THE WITNESS: -- in time, yes.

20 BY MR. MIGLIORI:

21 Q Okay. "So, therefore, the gap is now

22 approximately 27,000 accounts."

23 Do you recall that being based on 2012

24 numbers, the number of accounts that had no due

Page 75

1 diligence or completed due diligence?

2 A I recall based off of reading this

3 e-mail.

4 Q Okay. So going back to my earlier

5 question when you said there was a small amount of

6 backlog, will you agree with me that 27,000 out of

7 40,000 customers is not a small amount of due

8 diligence backlog?

9 MS. FINCHER: Object to the form.

10 THE WITNESS: Yes.

11 BY MR. MIGLIORI:

12 Q All right. "Based on year-to-date

13 records, we can expect Regulatory Affairs to

14 process 400 to 450 due diligence files each year."

15 Was that a statistic or a projection

16 that you put together?

17 MS. FINCHER: Object to the form.

18 THE WITNESS: I don't recall. I may --

19 I'm sure I had input, but I'm not sure if I'm the

20 only one that reviewed that.

21 BY MR. MIGLIORI:

22 Q Okay. Let me explore that a little bit.

23 If you're bringing on 1560 new accounts ordering

24 controlled substances each year, of those, are --

Page 76

1 is it only a fraction of those getting due

2 diligence files updated?

3 MS. FINCHER: Object to the form.

4 THE WITNESS: Can you repeat that again?

5 BY MR. MIGLIORI:

6 Q Sure. I'm trying to understand of the

7 400 to 450 files this year, is that the backlog

8 project or is that new -- new customers?

9 MS. FINCHER: Object to the form.

10 THE WITNESS: It -- it would include

11 both.

12 BY MR. MIGLIORI:

13 Q Okay. So we can agree that by the end

14 of 2012, when you had your appraisal that we --

15 your -- your work appraisal that we looked at,

16 Exhibit No. 4, at the end of that year, based on

17 the statistics that you gave to Sergio Tejada,

18 there were approximately 27,000 accounts or

19 customers in the Henry Schein system that did not

20 have complete due diligence.

21 MS. FINCHER: Object --

22 BY MR. MIGLIORI:

23 Q Correct?

24 MS. FINCHER: Object to the form.

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1 Mischaracterizes the document.

2 THE WITNESS: Correct, but I still stand

3 by what I said in 2012, I was not aware of that

4 information.

5 BY MR. MIGLIORI:

6 Q That's fine.

7 A Okay.

8 Q And maybe you weren't aware of it.

9 That's fine.

10 A Okay.

11 Q But as you're providing this statistical

12 information --

13 A Mm-hmm.

14 Q -- in August of 2013 to your

15 supervisor --

16 A Yes.

17 Q -- it turned out to be true that in

18 2012, of the 40,000 customers of Henry Schein,

19 27,000 of them did not have completed due

20 diligence in their files, correct?

21 MS. FINCHER: Object to the form.

22 Mischaracterizes the document.

23 BY MR. MIGLIORI:

24 Q Correct?

Page 78

1 A Correct.



Page 80

24 BY MR. MIGLIORI:



Page 79

2 MS. FINCHER: Object to the form.

3 BY MR. MIGLIORI:

4 Q Help me understand.


5 A Regulatory was not responsible for
6 reviewing every single account.

7 Q Okay.

8 A So the first process and who owned the
9 process initially was Verifications. So there was
10 only maybe a percentage of those accounts where
11 they felt needed a secondary review.

12 Q Okay.

13 A That would come to Regulatory.



Page 81

1 Q Okay. At some point, did you accelerate
2 that process so it would be a quicker resolution
3 to be DEA compliant relative to due diligence and
4 "Know Your Customer"?

5 A Yes.

6 Q When did you bring on new people to --
7 to become compliant with DEA's due diligence?

8 MS. FINCHER: Object to the form.

9 THE WITNESS: I brought on one more
10 staff member. That was Beverly Butcher in 2014.
11 And then I know that Shaun's team grew.
12 I can't say specifically how many, but I know that
13 there was a significant increase in his staffing,
14 because, again, they are the ones that are the
15 front end of the process.

16 BY MR. MIGLIORI:

17 Q Okay. And you left in November of 2016?

18 A Yes.

19 Q As of the time you left in November of
20 2016, was Henry Schein caught up in the backlog of
21 due diligence?

22 A Yes.

23 Q When did that happen?

24 A I can't -- I don't recall the exact

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1 date, but there were certain actions that were put
 2 in place to ensure that that happened quicker than
 3 the time frame that's discussed here.
 4 Q Okay. But you don't know if it happened
 5 just before you left or 2015 --
 6 A It was at least a year before I left,
 7 but I don't know the specific date.
 8 Q All right. So it's fair to say that
 9 whatever that date is, based on your information
 10 that you provided to Sergio Tejeda, Henry Schein
 11 was not compliant with DEA due diligence until
 12 that date, correct?
 13 MS. FINCHER: Object to the form.
 14 THE WITNESS: No. Not correct.
 15 BY MR. MIGLIORI:
 16 Q Let me word -- use exact words.
 17 "We are looking at three to four years
 18 to become current/fully compliant with DEA due
 19 diligence."
 20 That was Mr. Tejeda's words, correct?
 21 MS. FINCHER: Object to the form.
 22 THE WITNESS: Correct, based on the
 23 current resources and the process.
 24 BY MR. MIGLIORI:

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1 Q Right. So when additional resources
 2 were put together and processes were put in place,
 3 that projection was shortened to sometime you
 4 think a year prior to your departure in 2016?
 5 A It was sooner than that based off of the
 6 actions that were taken. So when we look at that
 7 overall number of accounts, that was looking back
 8 at previous history of when they ordered
 9 controlled substances. So a large percentage of
 10 those accounts may not have ordered again.
 11 There were actions that were put in
 12 place to make sure that if those customers that
 13 did not have due diligence were to order, that the
 14 order would pend. So the DEA was removed from the
 15 account. So if they were to place an order, that
 16 we did take the necessary steps to do due
 17 diligence. So it's not that they just left those
 18 accounts there for two or three years allowing
 19 them to continue to order.
 20 Q I appreciate that. That wasn't my
 21 question.
 22 My question was simply, there was a
 23 certain point at which this backlog project, this
 24 backlog process caught up. Correct?

Page 84

1 A Correct.
 2 Q And you're telling me that it happened
 3 sometime before this projection in this exhibit,
 4 that is before 2016, 2017, correct?
 5 A Correct.
 6 Q All right. So instead of taking three
 7 to four years for Henry Schein to become current
 8 and fully compliant with DEA due diligence, it
 9 took some time less than that, correct?
 10 A Correct.
 11 MS. FINCHER: Object to the form.
 12 BY MR. MIGLIORI:
 13 Q But you're saying that it was probably a
 14 year or more before your departure, correct?
 15 A I'm going to say no.
 16 Q When would it have been? I'm just
 17 trying to find out the time frame.
 18 A Yeah, it -- it would have been shortly
 19 after this was issued, because, again, they
 20 removed the DEA numbers from those accounts to
 21 prevent them from continually -- being able to
 22 continue to order without due diligence.
 23 Q I'm not asking about the ordering. I'm
 24 asking about the files being compliant with DEA

Page 85

1 due diligence. I'm only asking about the files
 2 being complete. Okay? I'm not asking about
 3 placing orders.
 4 You'll agree with me that the files were
 5 not updated completely and the backlog resolved
 6 until -- and up until your departure from the
 7 company, correct?
 8 MS. FINCHER: Object to the form, asked
 9 and answered.
 10 You can answer again.
 11 BY MR. MIGLIORI:
 12 Q Can you answer the question?
 13 MS. FINCHER: Do you need him to repeat
 14 it?
 15 THE WITNESS: Yes, please.
 16 BY MR. MIGLIORI:
 17 Q Will you agree with me that the
 18 backup -- the backlog and due diligence at Henry
 19 Schein was not resolved completely even at the
 20 time of your departure?
 21 A No.
 22 MS. FINCHER: Object to the form.
 23 BY MR. MIGLIORI:
 24 Q When do you think the backlog was

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1 resolved?

2 A It was at least a year or more before I
3 left.

4 Q All right. So it's your testimony right
5 now that at least a year or more before November
6 of 2016, Henry Schein became current and fully
7 compliant with the DEA due diligence requirements.
8 Is that a fair statement?

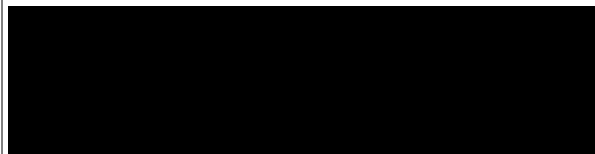
9 MS. FINCHER: Object to the form.

10 THE WITNESS: Based on my recollection,
11 I would say yes.

12 (Steffanie-Oak Exhibit No. 6 was
13 marked for identification.)

14 BY MR. MIGLIORI:

15 Q Let me show you Exhibit 6.



20 By this point you've left the company,
21 correct?

22 A Correct.

23 Q I'm going to direct you to page 7 of the
24 PowerPoint.

Page 87

1 Page 7 is a chart of the Regulatory
2 Affairs SOM and due diligence review increases.
3 Do you see that?

4 A Mm-hmm. Yes.

5 Q And you'll see that through 2017, there
6 is -- from 2012 when you start through 2017, every
7 year there is an increase in the number of due
8 diligence reviews and site visits, or let's stick
9 with due diligence reviews.

10 Do you see that?

11 MS. FINCHER: Object to the form.

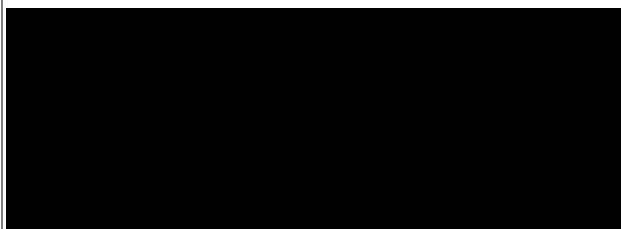
12 THE WITNESS: Yes.

13 BY MR. MIGLIORI:

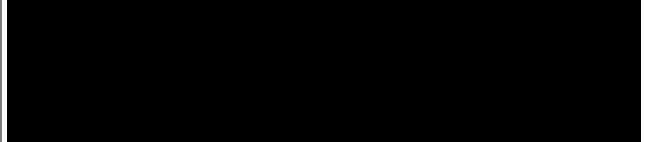
14 Q On the next page -- I'm sorry, on
15 page -- it doesn't have a number suddenly all of a
16 sudden.

17 So on page 10, it would be --

18 A Is it that one? Okay.



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5 Were you --

6 A No, I don't see that. Where's that?

7 Q It's --

8 A This one? Oh. (Peruses document.)

9 Okay.

10 Q What was Frank -- Francis O'Regan's
11 position, if you know?

12 A I don't know him.

13 Q You don't know him.

14 A No.

15 Q Did he show up after you?

16 A I'm guessing, yes.

17 Q Okay. So do you see -- first of all,
18 did you know that there was a need for
19 standardization and enhancement of due diligence
20 file review process and the standard operating
21 procedure as of the time you left in November of
22 2016?

23 MS. FINCHER: Object to the form.

24 THE WITNESS: No.

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1 BY MR. MIGLIORI:

2 Q And going back to page 7, you'll agree
3 with me that the volume of due diligence reviews
4 did not stop as of the end of 2016 when you left
5 the company?

6 MS. FINCHER: Object to the form.

7 Foundation.

8 THE WITNESS: No, because we bring on
9 new customers every day.

10 BY MR. MIGLIORI:

11 Q All right.

12 A So it would not stop.

13 Q And it continued to grow exponentially?

14 A Correct.

15 MS. FINCHER: Object to the form.

16 BY MR. MIGLIORI:

17 Q All right. So as of the end of 2012,
18 going back to Exhibit 5, the gap of existing
19 customers was 27,000 without complete due
20 diligence, and the going forward projection of new
21 customers ordering controlled substances was just
22 over 1500 a year, correct?

23 MS. FINCHER: Object to the form. Are
24 you asking what this document says?

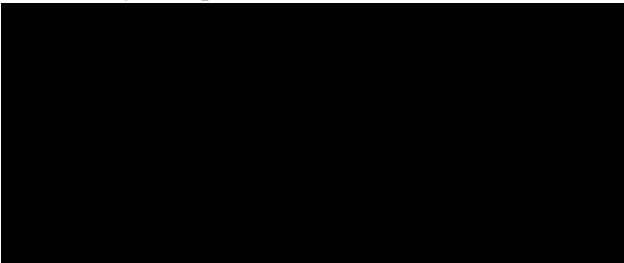
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1 MR. MIGLIORI: I'm asking if that's her
2 recollection of the data.
3 BY MR. MIGLIORI:
4 Q Correct?
5 MS. FINCHER: Object to the form.
6 THE WITNESS: There's a hundred -- yes.
7 1560 new accounts added per year.
8 BY MR. MIGLIORI:
9 Q Did that number change in the subsequent
10 years, '13, '14, '15 or '16, to your knowledge?
11 A I would say yes, because they were
12 continuing to -- the business would grow and the
13 market would grow, so, yes, it would.
14 Q So your general recollection is that
15 more than 1560 new accounts came on board from
16 2012 through 2016 for those physicians and
17 practices wanting to order controlled substances,
18 correct?
19 A Correct.
20 Q Now, the -- in 2012 when you started,
21 you said that one of the things you did was go to
22 HDMA conferences.
23 A They have one a year, so yes.
24 Q Okay. Do you recall going to one in

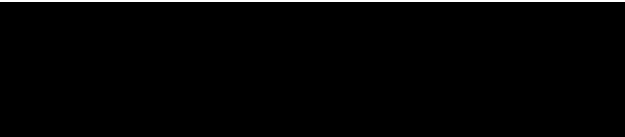
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1 2012?
2 A Yes.
3 Q And what, if anything, do you recall
4 learning at that conference as it related to due
5 diligence?
6 A I know that there was a presentation
7 related to "Know Your Customer," suspicious order
8 monitoring.
9 Q Were you ever provided the HDMA guidance
10 about due diligence?
11 MS. FINCHER: Object to the form.
12 (Steffanie-Oak Exhibit No. 7 was
13 marked for identification.)
14 BY MR. MIGLIORI:
15 Q Exhibit No. 7.
16 A Yes.
17 Q And what do you recall the expectations
18 to be by the trade association for distributors
19 relative to "Know Your Customer"?
20 MS. FINCHER: Object to the form.
21 THE WITNESS: That you were responsible
22 to know your customer.
23 BY MR. MIGLIORI:
24 Q Did that involve more than verification

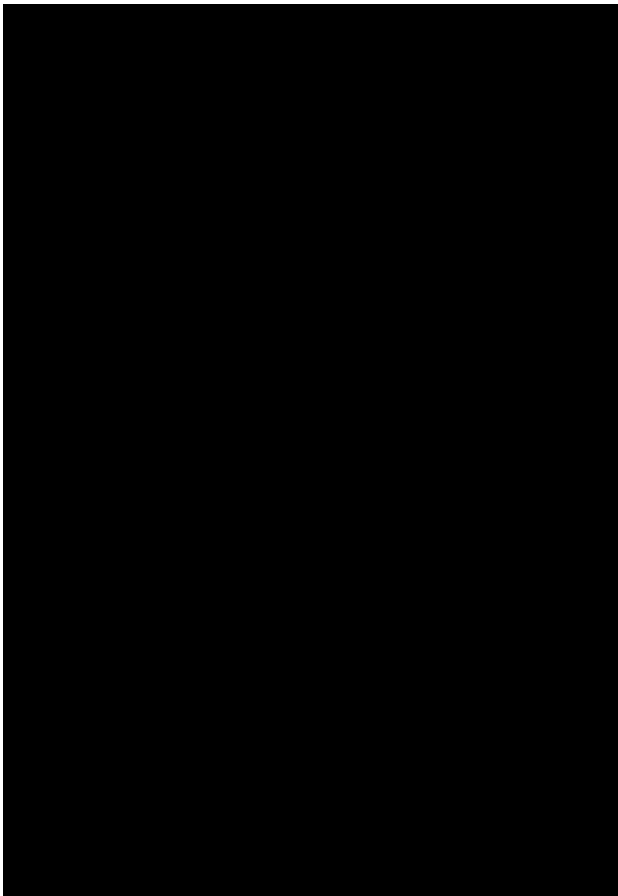
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1 of registration?
2 A Yes.
3 Q If you turn to the -- just the first
4 page of the document, you'll see it's a 2008
5 Healthcare Distribution Management Association
6 Industry Compliance Guideline.

14 Did you understand when you first
15 started working with controlled substances in 2012
16 that there was a growing, if not very grown,
17 problem of misuse and diversion of controlled
18 substances?
19 A Yes.
20 MS. FINCHER: Object to the form.
21 Foundation.
22 I'll just note here that the document
23 predated her time at Schein relative to controlled
24 substances.

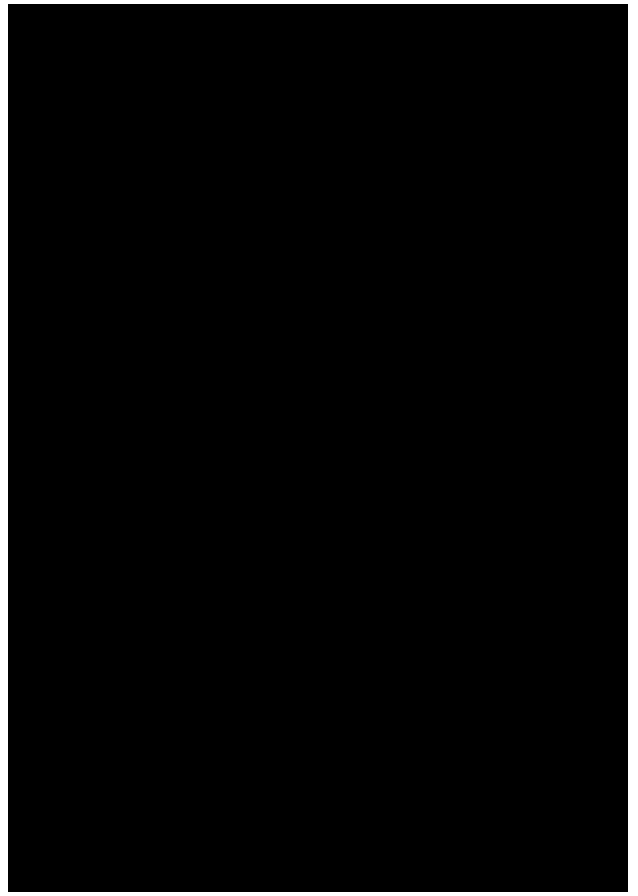
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1 MR. MIGLIORI: I want to make sure I
2 understand that. You said that 2008 was before
3 Schein was working with controlled substances?
4 MS. FINCHER: Before her role at
5 Schein --
6 MR. MIGLIORI: Okay.
7 MS. FINCHER: -- working with controlled
8 substances.
9 BY MR. MIGLIORI:
10 Q You said you educated yourself when you
11 got there in 2012, right, about controlled
12 substances?
13 A Yes.
14 Q And one of the sources of that education
15 was the HDMA?
16 A Yes.
17 Q And this would -- did you -- were you
18 provided this guidance, do you recall?
19 A I don't -- I don't recall specifically.
20 I know I've seen it over time, but I don't
21 remember if it was then.


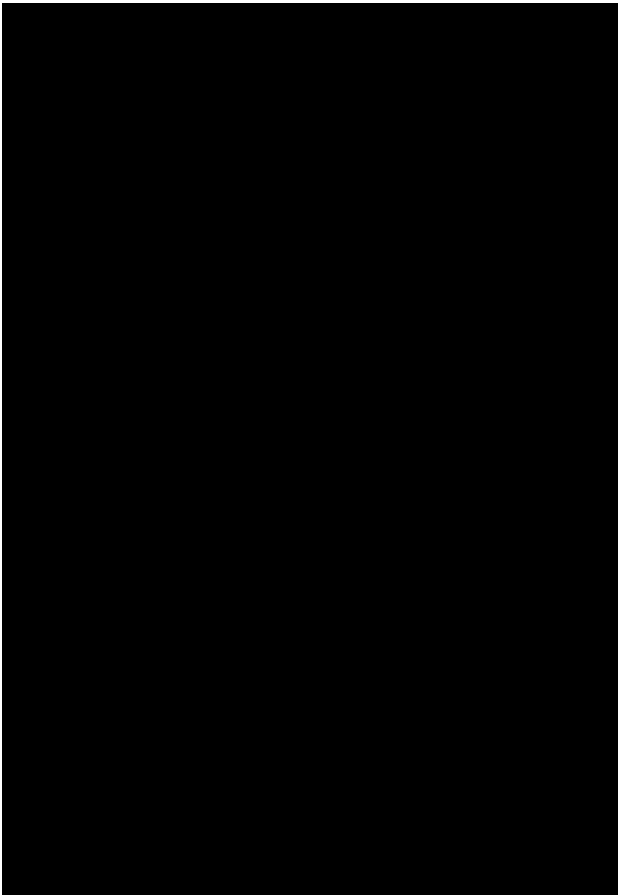
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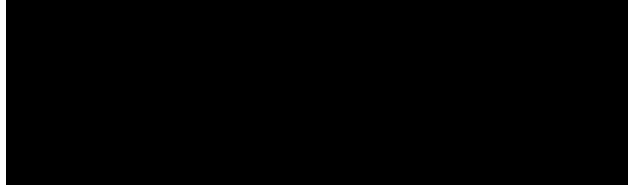
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6 BY MR. MIGLIORI:

7 Q And isn't it true that from 2012 to
8 2016, Henry Schein's compliance with this was a
9 one-page questionnaire?

10 MS. FINCHER: Object to the form.

11 THE WITNESS: No.

12 BY MR. MIGLIORI:

13 Q How did Henry Schein obtain this
14 information --

15 MS. FINCHER: Object to the form.

16 BY MR. MIGLIORI:

17 Q -- that -- or information like this when
18 you got there in 2012?

19 A In 2012, there was -- it was at least a
20 two-page questionnaire in 2012, and then after
21 that there were additional questionnaires that
22 were developed based off of the practice type that
23 the account would fill out.

24 And then as part of the whole overall

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1 due diligence process, we also -- there was a
2 licensure background check for state level DEA.
3 There was also an address verification check to
4 make sure it appeared to be a legitimate address,
5 a legitimate practice office.

6 A Google search. If there was a website
7 for the account, we would look at that.
8 Healthgrades was used to look at different reviews
9 of the physician. You know, any information that
10 was available on the internet.

11 Q You would agree with me that all those
12 sources of information are important to understand
13 and know your customer, correct?

14 A Correct.

15 Q And when they had 27,000 cases that did
16 not have full and complete due diligence, some
17 aspect of that information was missing in those
18 27,000 due diligence files, correct?

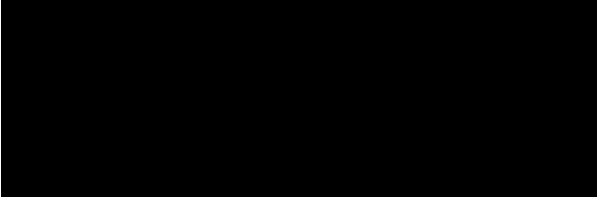
19 MS. FINCHER: Object to the form.

20 THE WITNESS: Correct.

21 BY MR. MIGLIORI:



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6 Did you ever do that, develop SOPs for
7 due diligence?

8 A I don't recall actually developing one.
9 I was definitely involved in revising and changing
10 existing procedures.

11 Q Did they get implemented?

12 A Yes.

13 Q Were they relative to due diligence?

14 A Yes.

15 Q So if they happened between 2012 and
16 2016, you would have had some input relative to
17 due diligence?

18 A Yes.

19 Q Did you have any roles from 2012 to 2016
20 relative to the setting of thresholds in the
21 Suspicious Order Monitoring Systems?

22 A No.

23 Q Did you have any roles at all with
24 respect to the Suspicious Order Monitoring Systems

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1 themselves? And -- and I'm distinguishing that
2 from the "Know Your Customer" due diligence.

3 A I would say yes.

4 Q What roles did you have with SOMS?

5 A I think overall it was a joint role
6 between Verifications and Regulatory to make sure
7 that the system was working, there was an adequate
8 system, and that we were meeting the requirements.

9 Q Well, specifically, what would your role
10 be in that?

11 A It's understanding different pends that
12 we had set up, making sure we were pending orders
13 for different reasons. It's -- if there were new
14 drugs that were becoming -- we were learning on
15 the marketplace that were being diverted, making
16 sure that we were looking at those drugs. Do an
17 internal auditing of the system to make sure that
18 it was working as it was expected to work.

19 Q But you didn't yourself get involved
20 with setting the algorithms, correct?

21 A Correct. No.

22 Q And the assumptions for those
23 algorithms, that wasn't part of your
24 responsibility, correct?

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1 A Correct.

2 Q Is it fair to say that in the world of
3 DEA compliance from 2012 to 2016, your primary
4 responsibilities were in the area of "Know Your
5 Customer" due diligence and -- and distribution
6 center audits?

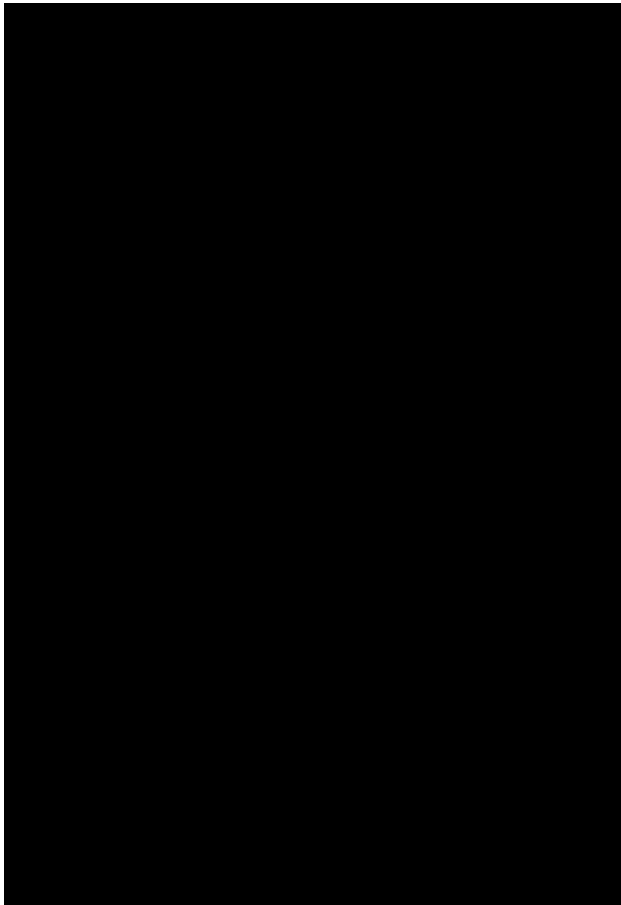
7 MS. FINCHER: Object to the form.

8 THE WITNESS: Yes.

9 BY MR. MIGLIORI:



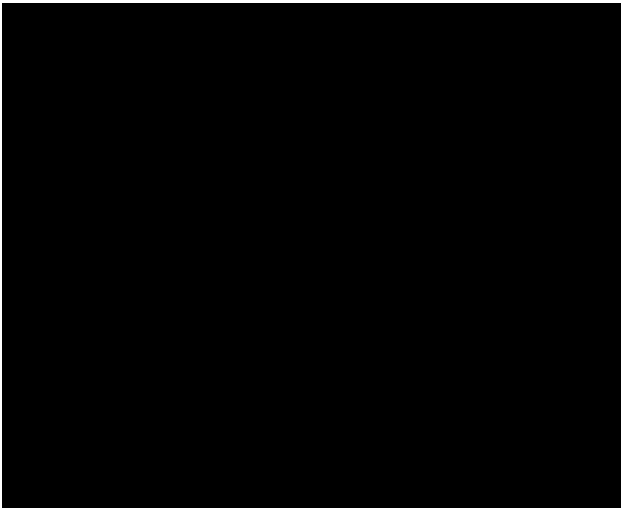
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1 You'll agree with me earlier that a pending order
2 in the Henry Schein system was an order that
3 somehow triggered or tripped a concern about an
4 order deviating in size, frequency or pattern from
5 prior orders of that customer?
6 MS. FINCHER: Object to the form.
7 THE WITNESS: No.
8 BY MR. MIGLIORI:
9 Q How is that wrong?
10 A Any new customer would automatically
11 pend, and so it would be their first order.
12 Q Okay. So I'll increase the definition.
13 Any new customer is pending until they are cleared,
14 correct?
15 A Correct.
16 Q So in order to clear a new customer,
17 it's essential in the Henry Schein system to
18 perform due diligence, correct?
19 A Correct.
20 Q And it's essential to document that due
21 diligence, correct?
22 MS. FINCHER: Object to the form.
23 THE WITNESS: Correct.
24 BY MR. MIGLIORI:

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15 You would agree with me that at least
16 when you got there in 2012, you were trained that
17 suspicious orders that were investigated, their
18 outcome needed to not only be determined but
19 documented in the due diligence files at Henry
20 Schein, correct?
21 MS. FINCHER: Object to the form.
22 THE WITNESS: Correct.
23 BY MR. MIGLIORI:
24 Q You mentioned the word "pend" earlier.

1 Q And a new customer, would the due
2 diligence include criminal background checks?
3 MS. FINCHER: Object to the form.
4 THE WITNESS: No.
5 BY MR. MIGLIORI:
6 Q In new customers, would due diligence
7 include prior convictions for drug-related
8 offenses?
9 MS. FINCHER: Object to the form.
10 Foundation.
11 Are you asking, Don, about her role in
12 Regulatory or Verifications or --
13 MR. MIGLIORI: Due diligence.
14 THE WITNESS: The license would be
15 checked. There was a check on the license. There
16 was no criminal background.
17 BY MR. MIGLIORI:
18 Q Well, you've seen -- have you ever seen
19 the letters from the DEA about not relying on the
20 mere existence of a registration as due diligence?
21 A Yes.
22 Q All right. So I'll go back to the
23 original question.
24 In the onboarding of a new client at

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1 Henry Schein from 2012 to 2016, in the due
2 diligence for that pended new customer, was there
3 a process by which to verify that that customer
4 did not have any prior drug-related criminal
5 offenses?

6 A If that offense affected their medical
7 license, yes.

8 Q So the only way at Henry Schein to
9 determine whether or not somebody had a prior
10 drug-related criminal conviction would be if the
11 medical license were suspended?

12 MS. FINCHER: Object to the form.

13 THE WITNESS: Correct.

14 BY MR. MIGLIORI:

15 Q There was no independent review of a new
16 onboarded customer of whether or not that doctor
17 or practice had any convictions for drug-related
18 offenses, other than verifying the medical
19 license?

20 MS. FINCHER: Object to the form.

21 BY MR. MIGLIORI:

22 Q Correct?

23 A Correct.

[REDACTED]

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[REDACTED]

10 Q All right. So if I were to take a file
11 of a customer of Henry Schein, that information --
12 that is, all the information relied upon and all
13 the conclusions from that information about the
14 new customer, the pended new customer, should
15 actually be in the file to be compliant with the
16 DEA regulations, correct?

17 MS. FINCHER: Object to the form.

18 THE WITNESS: Correct.

19 (Steffanie-Oak Exhibit No. 8 was
20 marked for identification.)

21 BY MR. MIGLIORI:

22 Q I show you exhibit -- Exhibit 8.

23 You said one of the companies that you
24 educated yourself on DEA regulatory compliance was

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1 the Cegedim Dendrite Company, correct?

2 A Correct.

3 Q Cegedite -- Cegedim actually performed
4 external third-party audits of your -- of Henry
5 Schein's suspicious order monitoring and due
6 diligence files, correct?

7 MS. FINCHER: Object to the form.
8 Foundation.

9 THE WITNESS: Prior to me coming into
10 the position, yes.

11 BY MR. MIGLIORI:

12 Q Okay. They didn't do any while you were
13 there?

14 A No. No audits, no.

15 Q But they did help you train to
16 understand the DEA requirements, correct?

17 A It was an industry conference that I had
18 gone to, yes.

19 Q Okay. Had you, when you took this
20 position, done anything to educate yourself on the
21 prior audits of Cegedim?

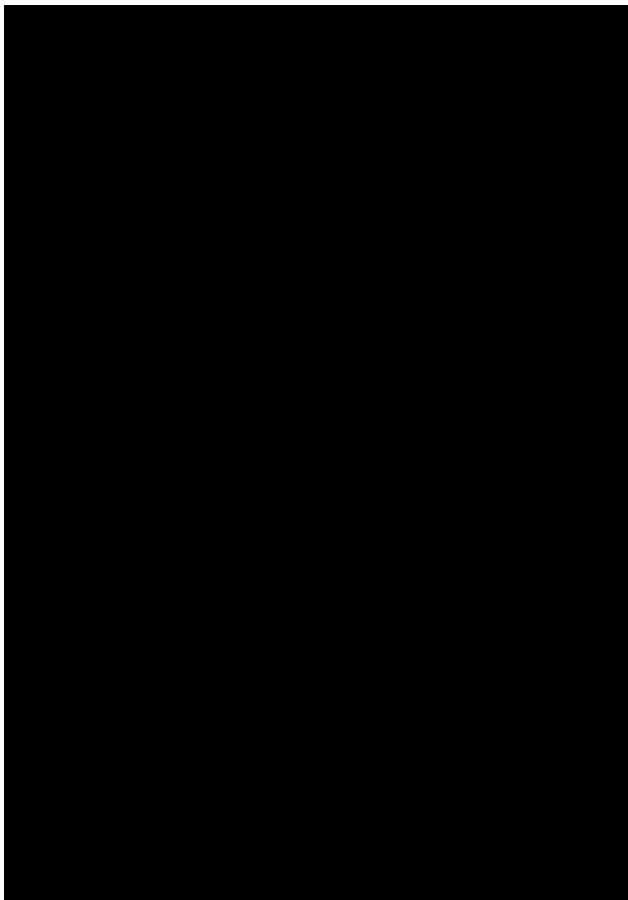
22 A I don't recall being aware. In this --

[REDACTED]

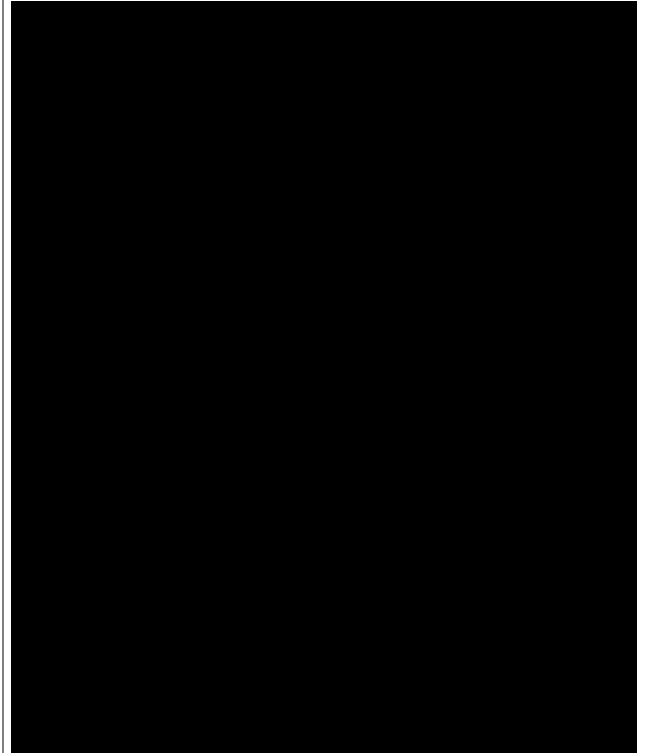
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[REDACTED]

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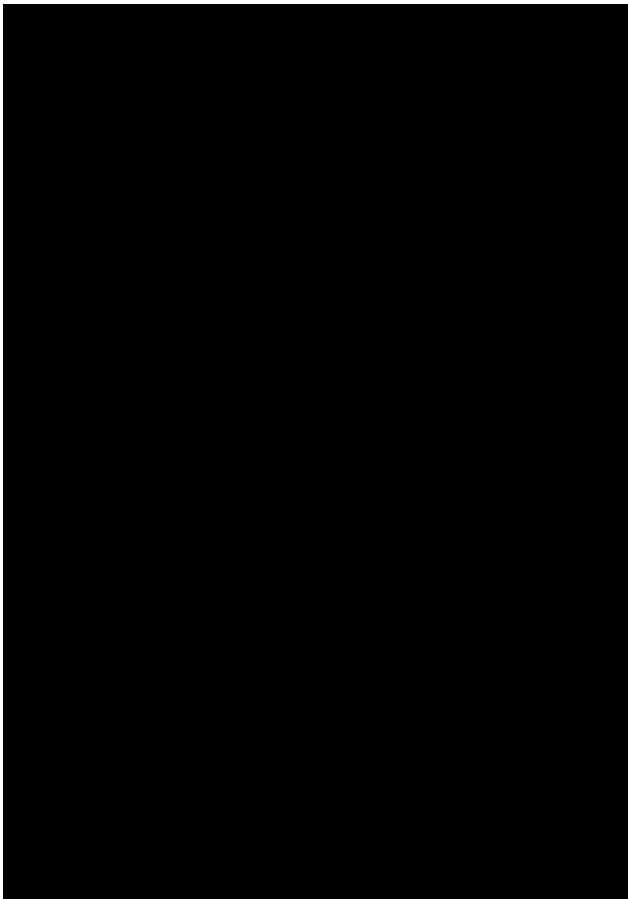


21 Are you familiar with the MedPro
22 inquiry?

23 A Somewhat, yes.

24 Q And -- and what was it?

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1 A That is the computer database that
2 Verifications would use to access the doctor's
3 license. They could see if they were licensed in
4 other states too, see if there were any actions
5 against the license or if it was, you know, in
6 good standing.

7 Q So if a physician went into MedPro --
8 I'm sorry. Strike that.

9 If Henry Schein went into MedPro and saw
10 that a physician's license had been suspended and
11 then reinstated, that information would be in
12 MedPro, correct?

13 MS. FINCHER: Object to the form.

14 THE WITNESS: It -- yes, it should be in
15 MedPro.

16 BY MR. MIGLIORI:

17 Q And the basis for the suspension should
18 also be in MedPro, correct?

19 MS. FINCHER: Object to the form,
20 foundation.

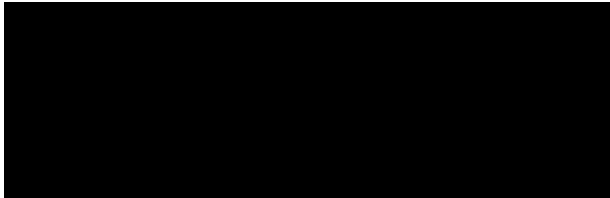
21 THE WITNESS: Yes.

22 BY MR. MIGLIORI:

23 Q And if that information were relied upon
24 by Henry Schein, that would be in your due

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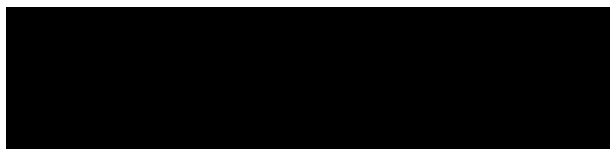
1 diligence file, correct?
2 A Correct.
3 Q And as of this time, at least in 2009,
4 it appears from this document that MedPro was only
5 being used in the states that required it for
6 background checks.
7 MS. FINCHER: Object --
8 BY MR. MIGLIORI:
9 Q Was that true --
10 A I don't --
11 Q -- when you got there in 2012?
12 A No.
13 MS. FINCHER: Object to the form.
14 BY MR. MIGLIORI:



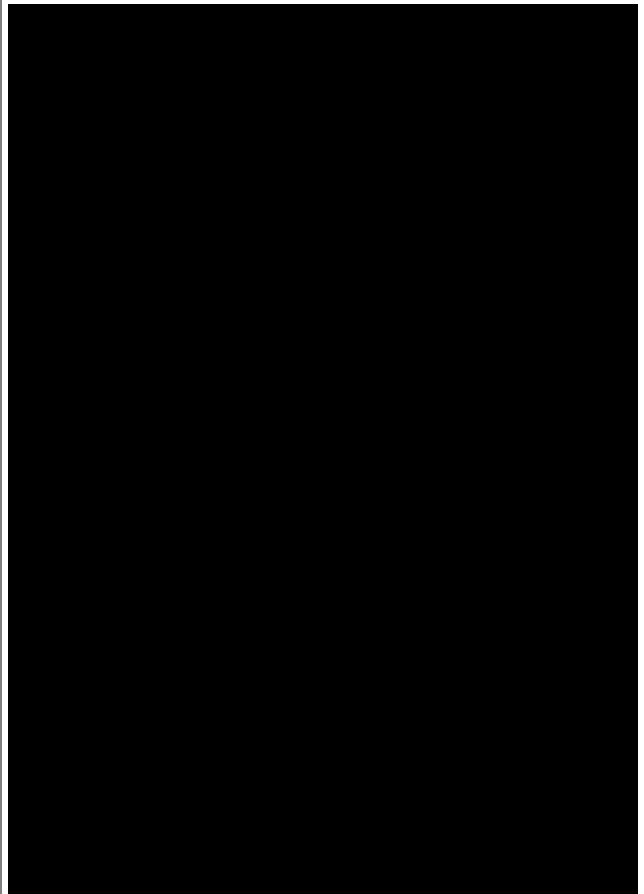
20 By the time you got there in 2012, was
21 there a standard operating procedure or memorandum
22 that documented how on site -- or what the
23 criteria would be for due diligence for new
24 customers?

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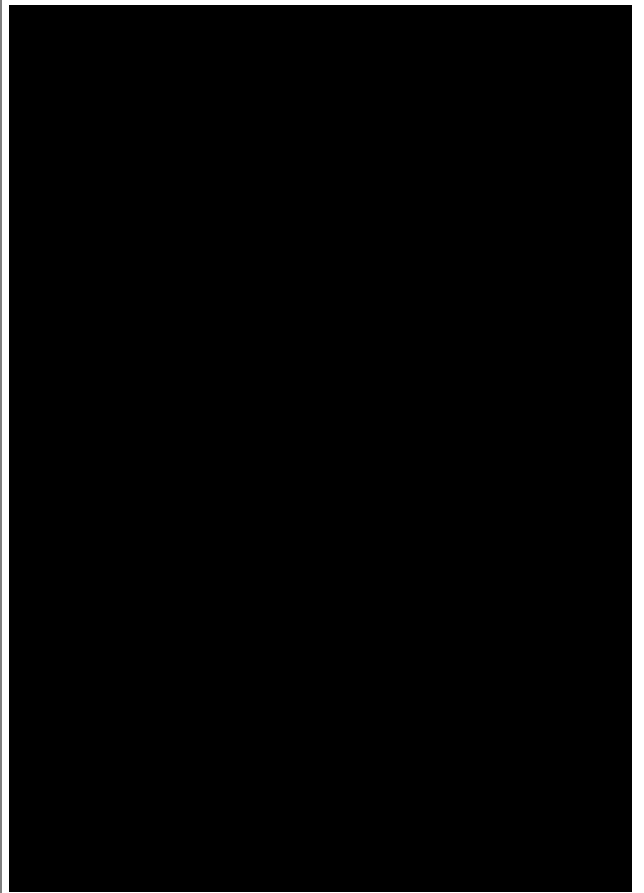
1 A Yes.
2 Q Do you know when between 2009 and 2012
3 that happened?
4 MS. FINCHER: Object to the form.
5 THE WITNESS: No.
6 BY MR. MIGLIORI:
7 Q You would agree with me that in order
8 for there to be a criteria for due diligence, that
9 it would have to be included in a standard
10 operating procedure of the company, correct?
11 MS. FINCHER: Object to the form.
12 THE WITNESS: It would need to be
13 documented.
14 BY MR. MIGLIORI:
15 Q And that's where it would be documented,
16 correct, in the SOPs?
17 MS. FINCHER: Object to the form,
18 foundation.
19 THE WITNESS: Yes. Yes.
20 BY MR. MIGLIORI:



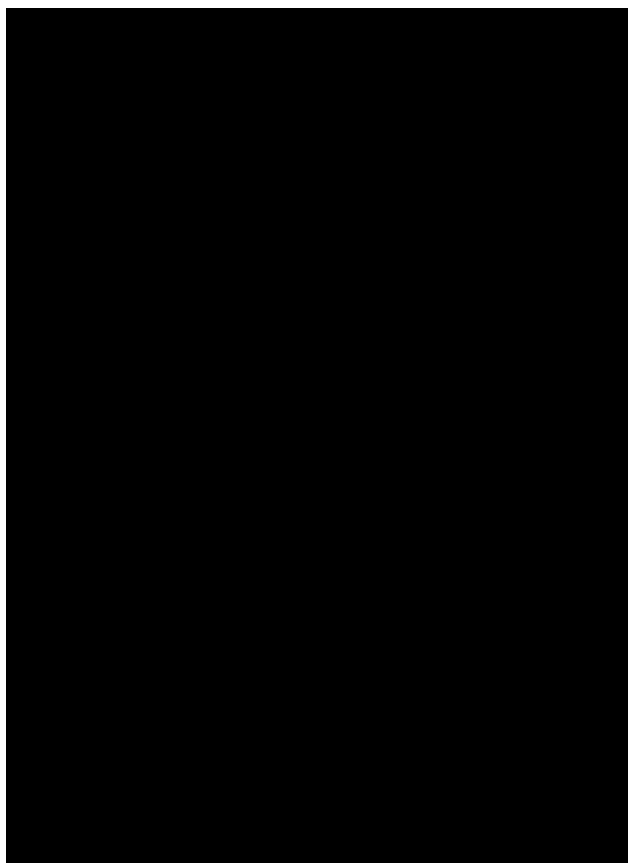
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24 MS. FINCHER: Object to the form,

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1 foundation.

2 THE WITNESS: No.

3 BY MR. MIGLIORI:

4 Q And when you got there in 2012, did you
5 share that concern?

6 MS. FINCHER: Object to the form.

7 THE WITNESS: No. I wasn't -- I've
8 never seen this before, so no.

9 BY MR. MIGLIORI:

10 Q You did in fact participate in your own
11 audits where members of your team concluded
12 similarly, correct?

13 MS. FINCHER: Object to the form.

14 BY MR. MIGLIORI:

15 Q Do you recall that?

16 A Not how you're wording it. I know that
17 there was a finding about additional training
18 being needed or recommended. So I can agree to
19 that, yes. I'd like to see the report if I can.

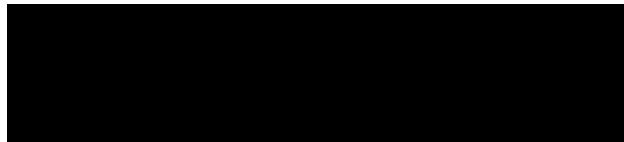
20 Q Sure. I'll give it to you right now.

21 (Steffanie-Oak Exhibit No. 9 was
22 marked for identification.)

23 BY MR. MIGLIORI:



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5 Do you recall writing this?

6 A I recall completing the minutes to the
7 meeting. I don't -- yes, I didn't -- these are
8 minutes from a meeting.

9 Q All right. So you -- you compiled these
10 minutes, correct?

11 A Correct.

12 Q And these minutes are from a meeting
13 that related to certain findings of the SOM audit
14 team, which included you, correct?

15 MS. FINCHER: Object to the form.

16 THE WITNESS: The audit was done -- from
17 my recollection, was done by Ken Romeo, who was --
18 who reported to me.

19 BY MR. MIGLIORI:

20 Q Okay. And so when Mr. Peacock testified
21 in this case that you were part of a team with
22 Mr. Romeo and with Sergio Tejeda, would that have
23 been accurate relative to SOM auditing?

24 MS. FINCHER: Object to the form.

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1 THE WITNESS: We had been involved in
2 other audits. This particular -- let me see if
3 this was the particular one that he had done on
4 his own.

5 BY MR. MIGLIORI:

6 Q You -- you think Mr. Romeo did this on
7 his own?

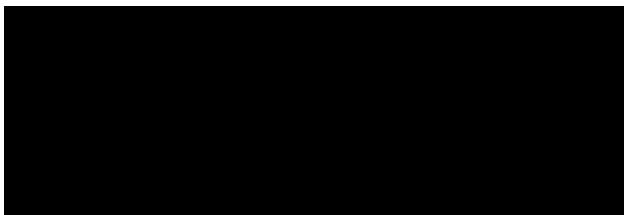
8 A Yes.

9 Q And you -- you reported this out to
10 everyone. Did you report it as only being
11 Mr. Romeo's?

12 A Well, the original audit report should
13 be from him. This is just meetings -- we held a
14 meeting to review the audit report and have
15 discussions, so I just documented the minutes.

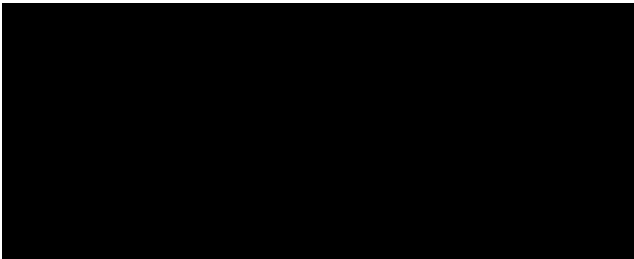
16 Q Okay. Well, let's go through the
17 findings.

18 A Okay.



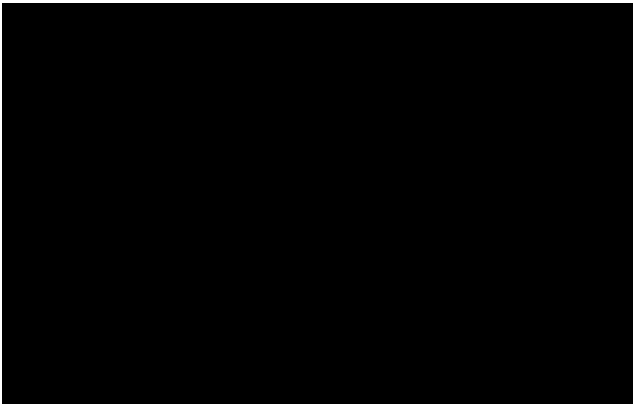
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1 MS. FINCHER: Object to the form.
2 Mischaracterizes the document.
3 THE WITNESS: I didn't report that, no.
4 It's in the -- this is -- I added minutes within
5 his report. So, is that what you're asking?
6 BY MR. MIGLIORI:
7 Q Maybe that's the question, but --
8 A Okay. Okay.
9 Q -- I can actually -- it's helpful to me
10 if that's the distinction you're making. I can go
11 to the very original one and see if it -- let's
12 see.
13 (Steffanie-Oak Exhibit No. 10 was
14 marked for identification.)
15 BY MR. MIGLIORI:
16 Q I show you Exhibit 10.
17 A (Peruses document.)



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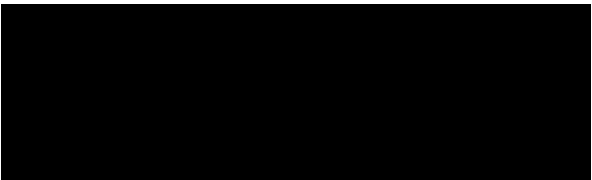
1 MS. FINCHER: Object to the form.
2 BY MR. MIGLIORI:
3 Q At this point.
4 A No. I report to Sergio, and Sergio
5 reports to Jeff. I mean ultimately I reported to
6 Jeff.
7 Q Okay. Fair enough. I'm sorry. I'm
8 sorry.
9 But -- but he took Mr. DiBello's
10 position at this point, correct?
11 A Yes.



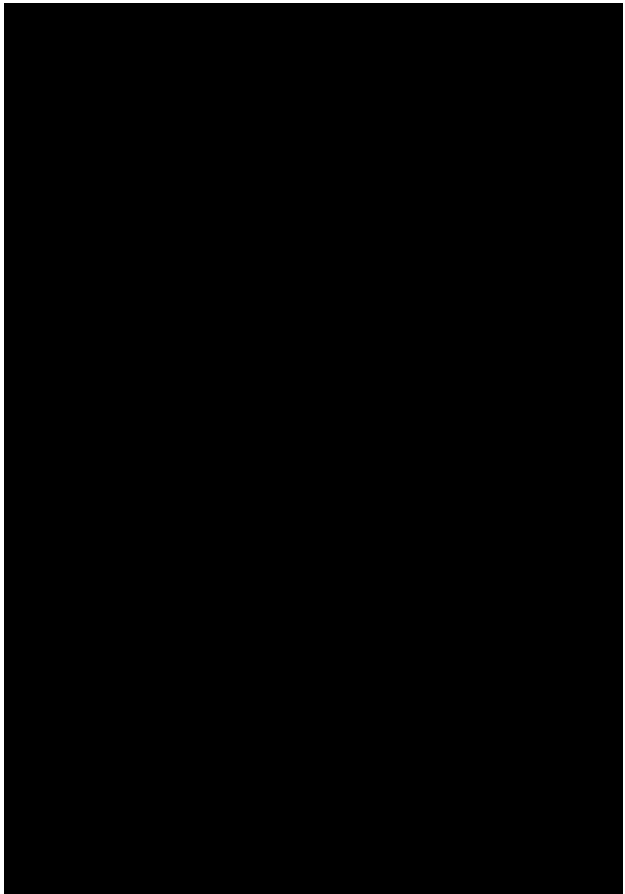
23 Does that refresh your recollection of
24 who was doing the compliance assessment?

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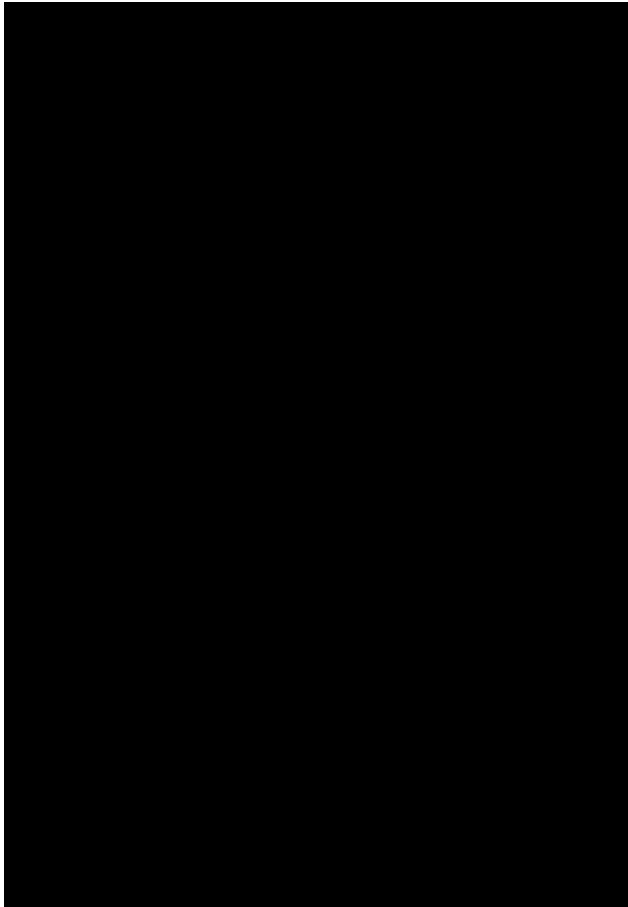
1 A I know we had meetings about the, yes,
2 audit itself. I don't remember actually carrying
3 out audit functions of this, but --
4 Q Okay.
5 A -- based off what Ken had done at his
6 site, what he had looked at, he had reviewed the
7 information with me and Sergio.
8 Q Okay.
9 A But I don't recall taking -- actually
10 doing the audit myself.
11 Q All right. But at least as it
12 represents here --
13 A Mm-hmm.
14 Q -- from the 2nd to the 3rd of 2013, you,
15 Ken and Sergio were on site in Melville to
16 complete the DEA compliance assessment, correct?
17 A Correct.
18 Q You have no reason to think that's
19 not --



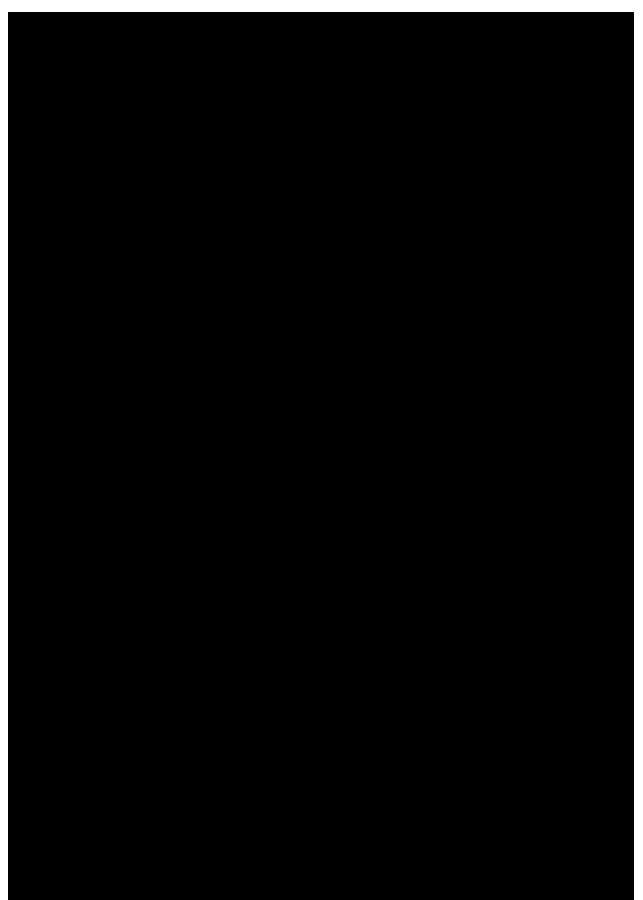
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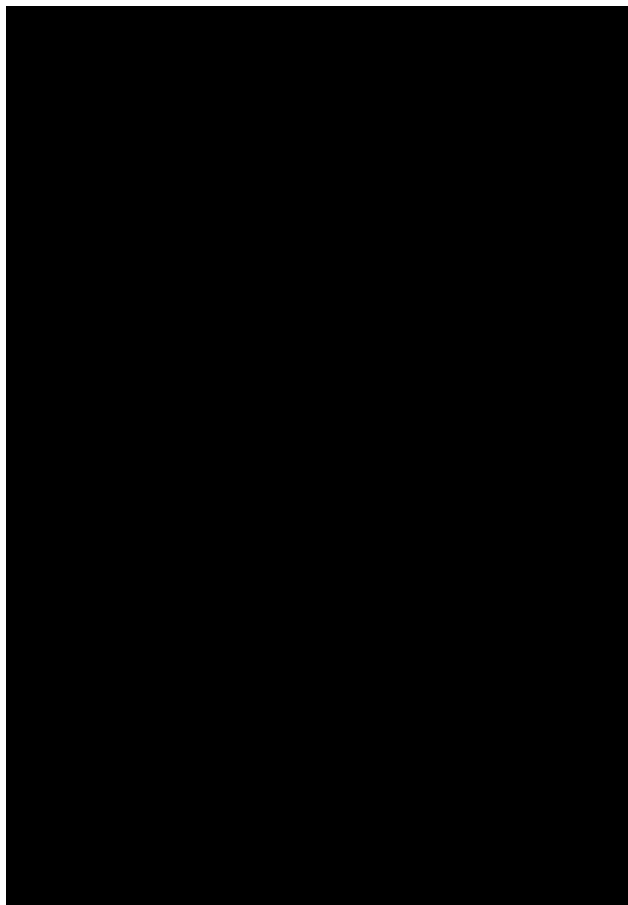
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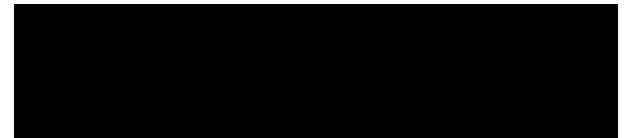
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5 MR. MIGLIORI: That's coaching. We just
6 got Cohen involved with these, okay? I'm not a
7 guy that usually cares, but that's way too much.

8 MS. FINCHER: I'll do what I need to do
9 to protect the record.

10 MR. MIGLIORI: And we'll call Cohen if
11 we have to. He gave a number of eight words at
12 most. If you have form -- form, if you want to
13 say "asked and answered," that's fine. Please no
14 coaching.

15 MS. FINCHER: I'll continue to do what I
16 need to do to protect the record.

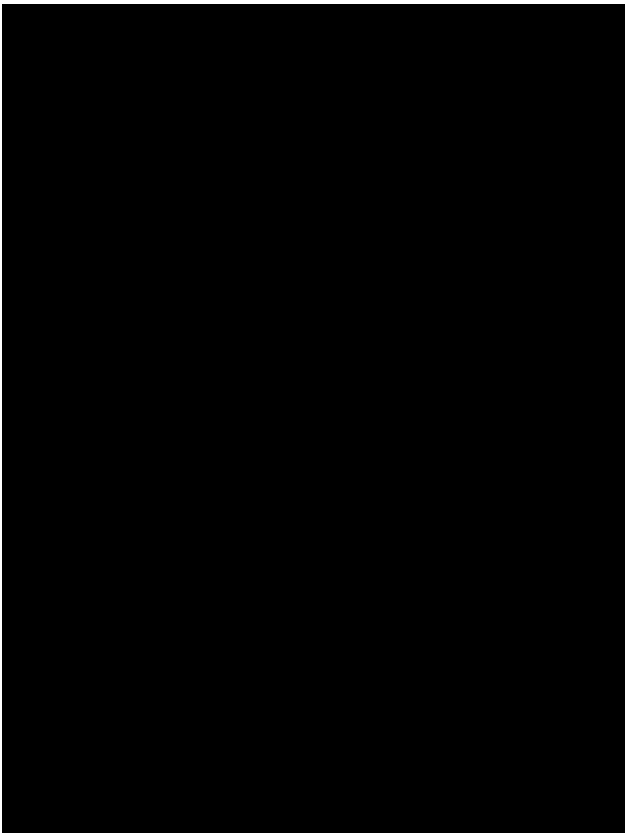
17 MR. MIGLIORI: And then we'll call
18 Cohen. All right?

19 MR. McDONALD: Don, just ask the
20 question.

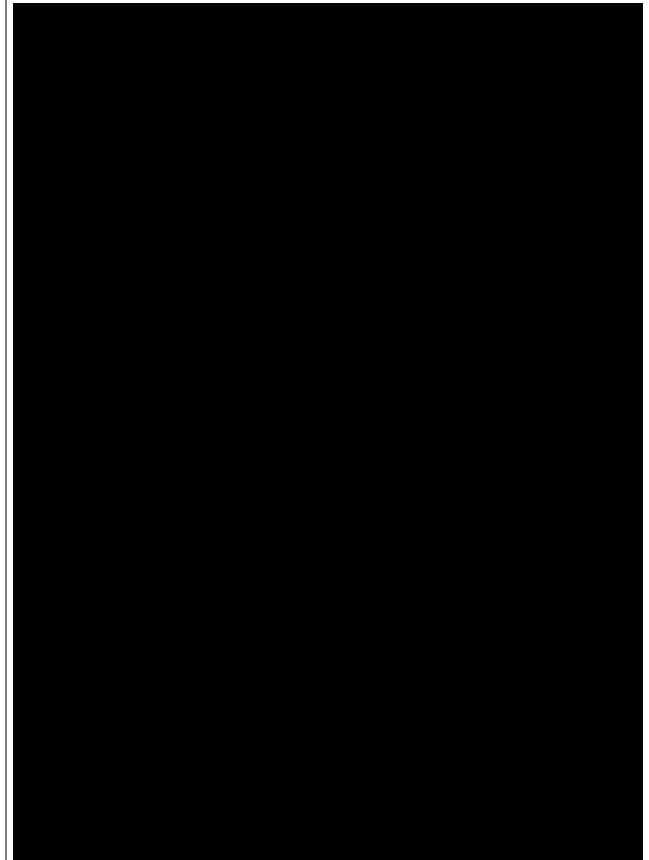
21 MR. MIGLIORI: No, no, I just -- I want
22 some acknowledgment. I appreciate what you're
23 doing, but it's coaching.

24 MS. FINCHER: I -- I respectfully

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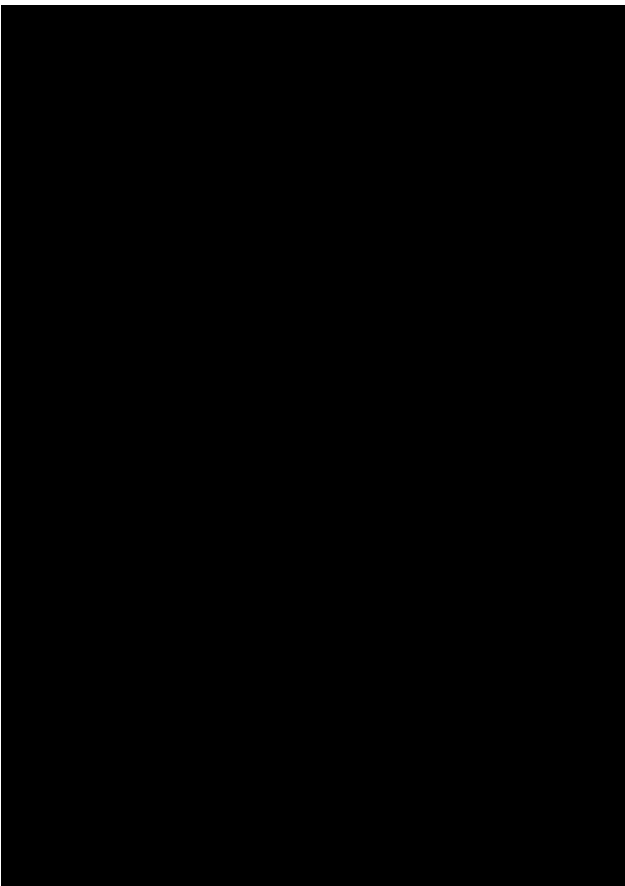
- 1 disagree with you.
 - 2 BY MR. MIGLIORI:
- 

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24 MS. FINCHER: Don, I'll just point out

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- 1 it's almost noon. So I'm not sure when you wanted
- 2 to take a lunch break.

3 MR. MIGLIORI: Why don't we go off the

4 record for a second and talk about that.

5 THE VIDEOGRAPHER: 11:55. We're off the

6 video record.

7 (Lunch recess.)

8 THE VIDEOGRAPHER: 12:29, we're on the

9 video record.

10 (Steffanie-Oak Exhibit No. 11 was

11 marked for identification.)

12 BY MR. MIGLIORI:

13 Q Okay. I'll show you Exhibit 11.

14 Exhibit 11 has a date of November 27,

15 2013. It's a PowerPoint presentation with -- that

16 bears your name on it. It says "Individual

17 Opportunity/Issue, Presented by Tina

18 Steffanie-Oak."

19 Did you review this in preparation for

20 today?

21 A I do remember seeing it yesterday.

22 Q Okay. And is this something you

23 prepared?

24 A Yes.

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1 Q Okay. On the second page, it says
2 "Opportunity/Issue." It says: "Are we in
3 substantial compliance with DEA SOM/Know Your
4 Customer regulations?"

5 And the first bulleted item says: "We
6 do not have Know Your Customer Due Diligence for
7 approximately 60 percent of our customers.
8 Remaining 40 percent has varying degrees of due
9 diligence (files are not consistent)."

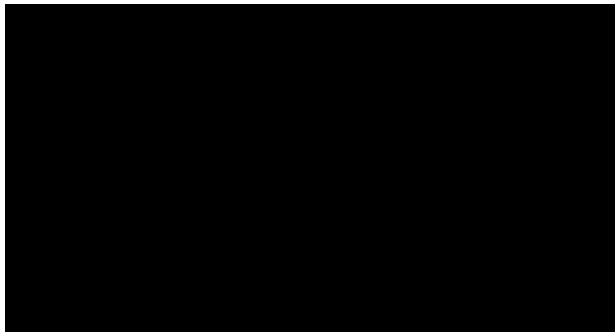
10 First of all, are those your words?

11 A Yes.

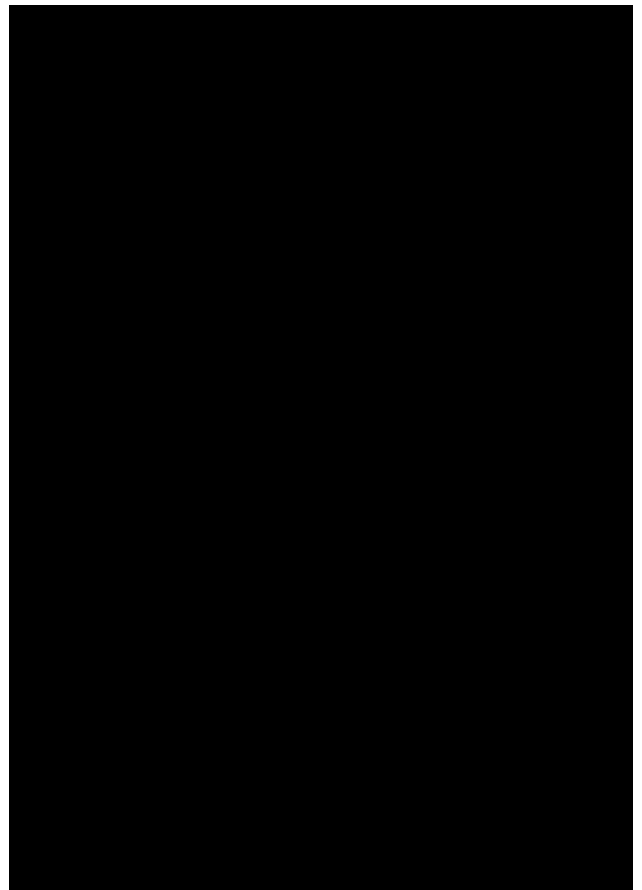
12 Q And the 60 percent represents files that
13 have no due diligence, correct?

14 MS. FINCHER: Object to the form.

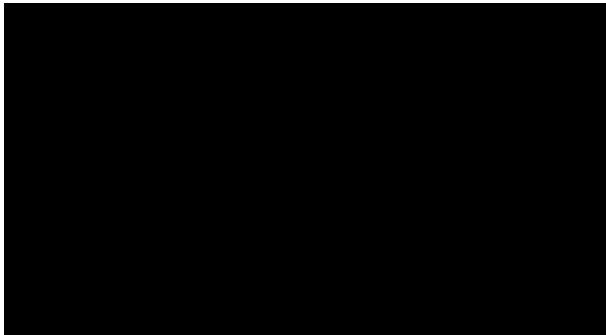
15 THE WITNESS: I don't recall



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10 You'll agree with me that, at least for
11 this PowerPoint presentation that Henry Schein
12 produced to us, it says that: "We," Henry Schein,
13 "do not have Know Your Customer Due Diligence for
14 approximately 60 percent of our customers."

15 That's a statement that you wrote,
16 correct?

17 A Correct.

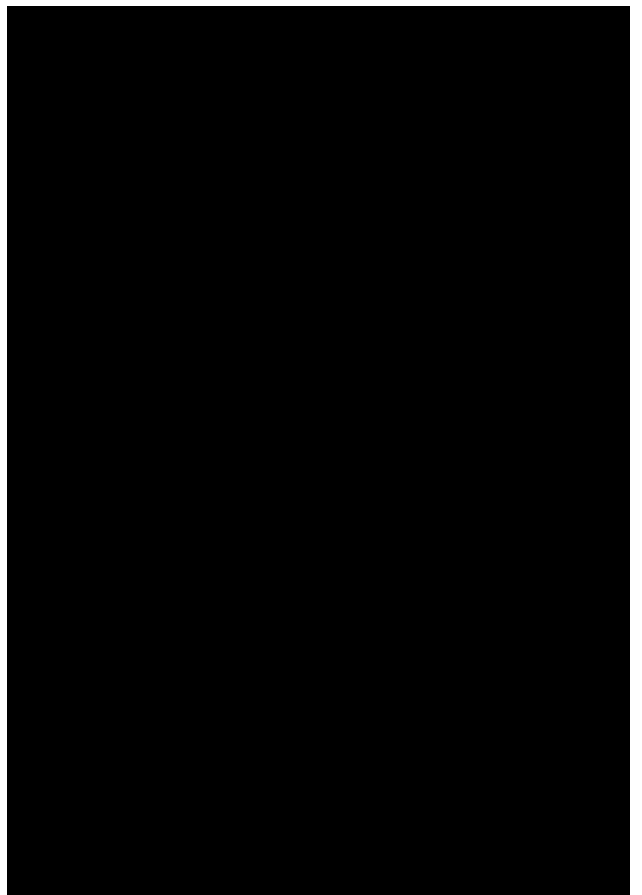
18 Q All right. And then on the remaining
19 40 percent, there were varying degrees of due
20 diligence, the files were not consistent.

21 Those were your words, correct?

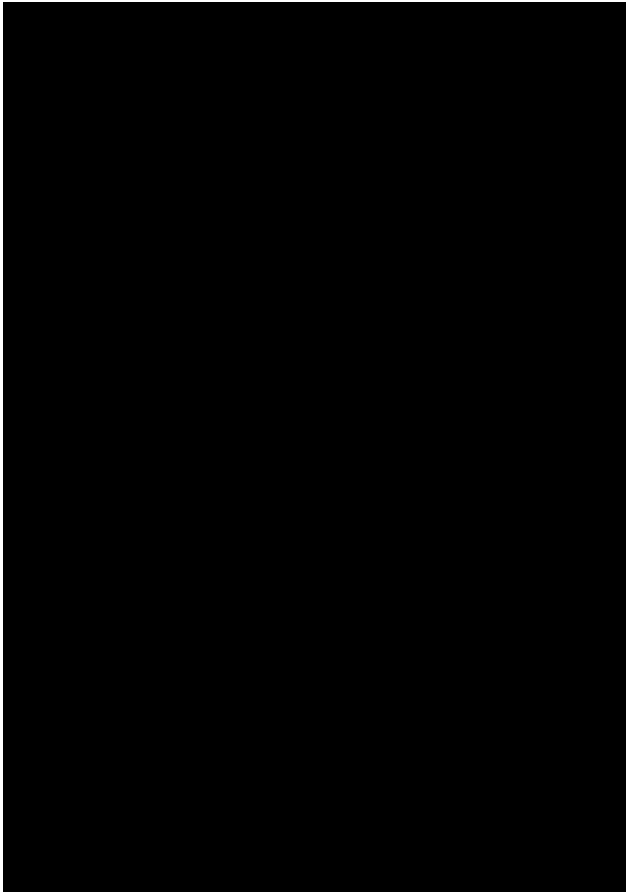
22 A Correct.



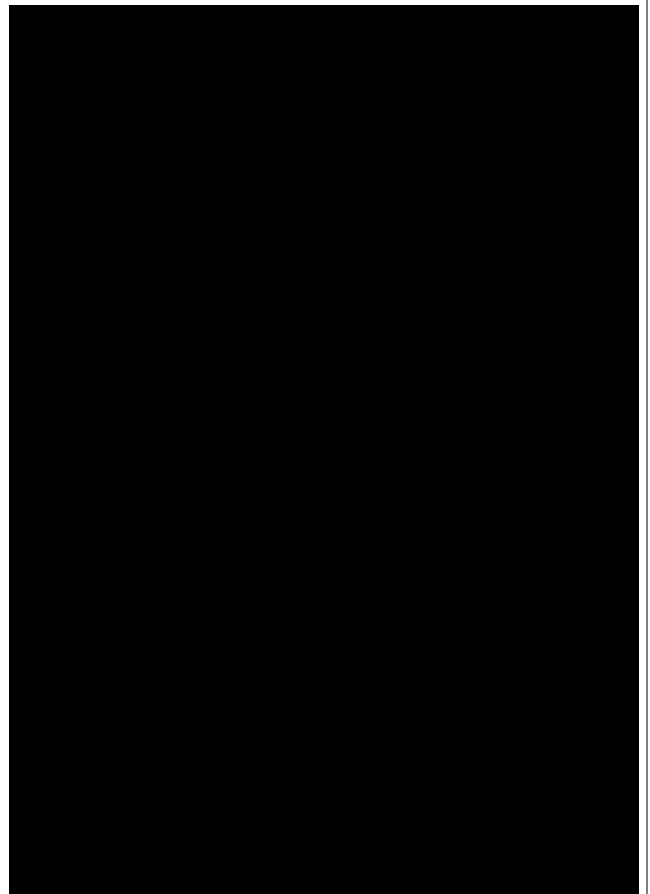
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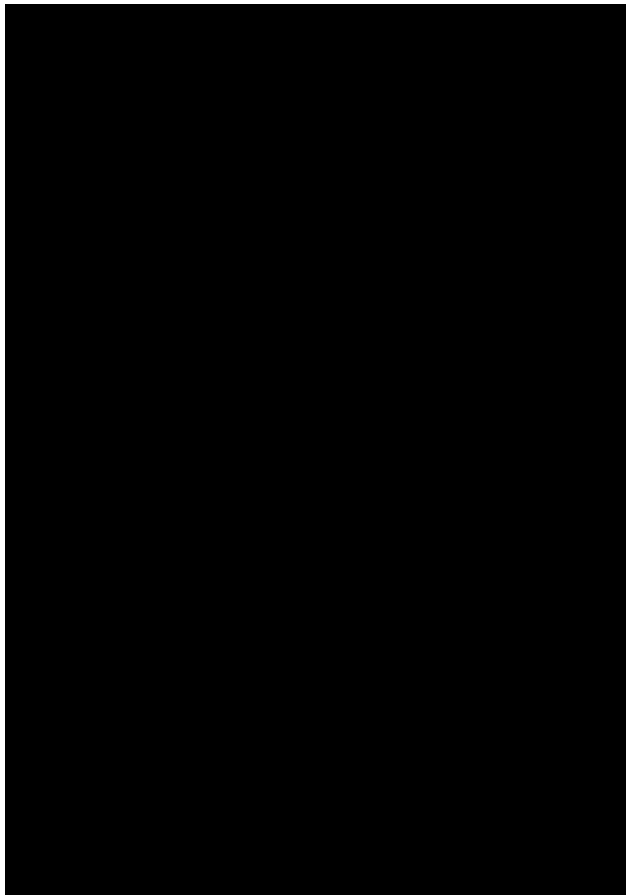
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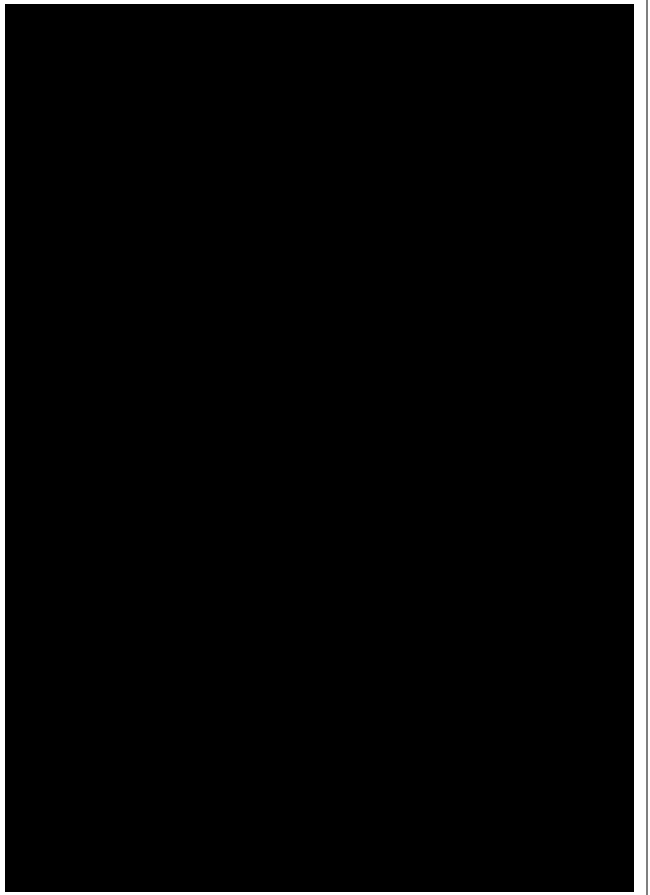
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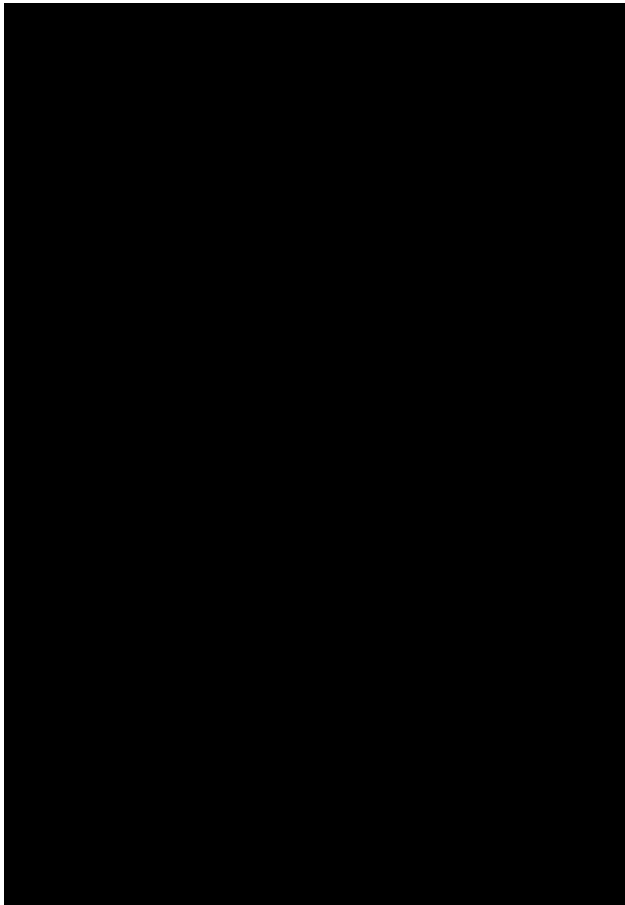
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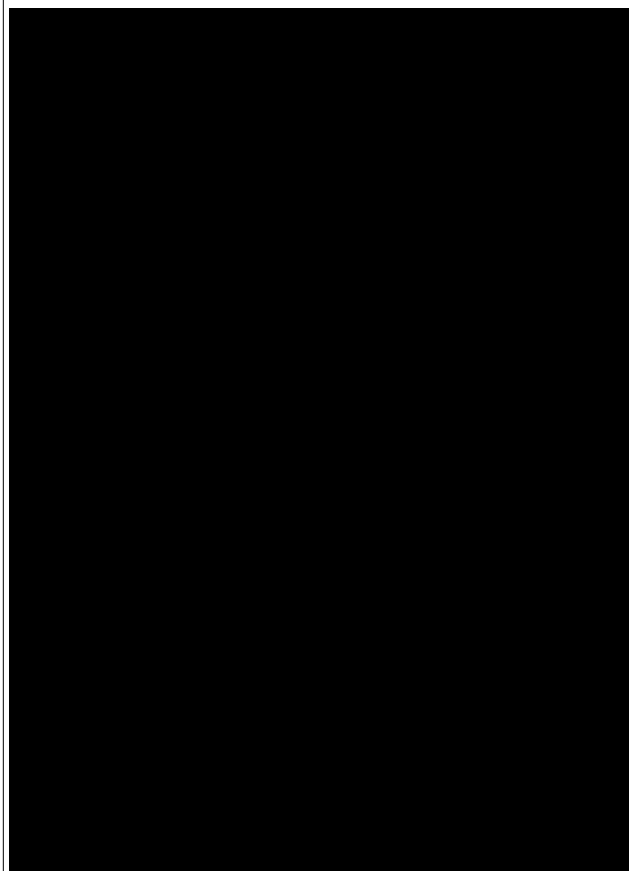
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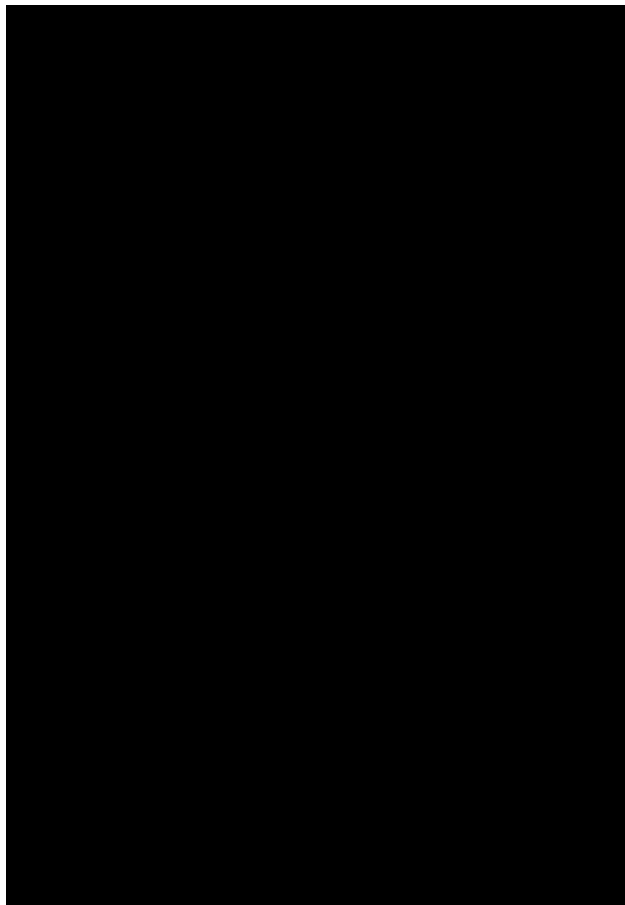
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24

Then you put together a slide that says

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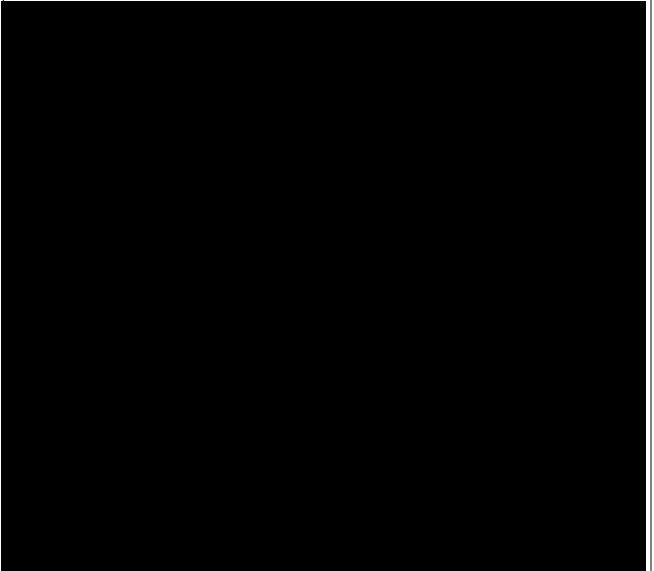


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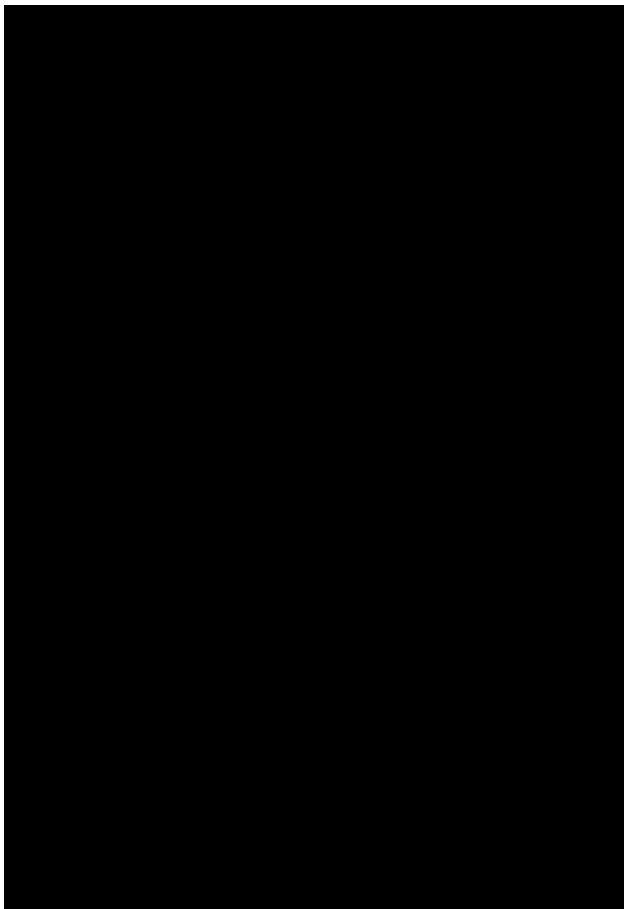
1 "Potential Risks to Henry Schein." And you raise
2 the question: "How vulnerable are we to potential
3 DEA Regulatory action by not having complete due
4 diligence on all customers purchasing controlled
5 substances?"

6 So you -- you raise the question of --
7 of vulnerability because the due diligence files
8 are incomplete, correct?

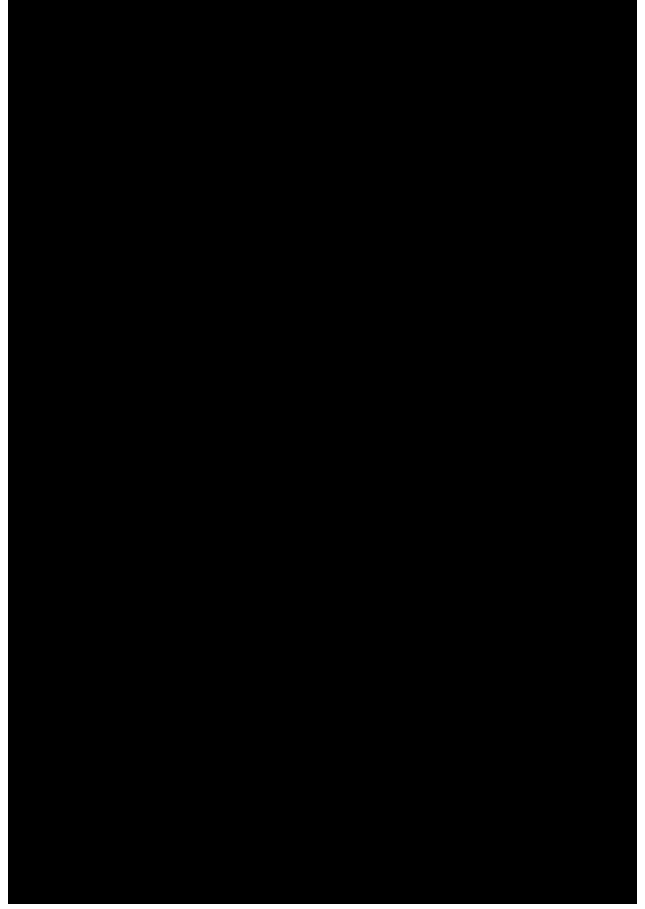
9 A Correct.



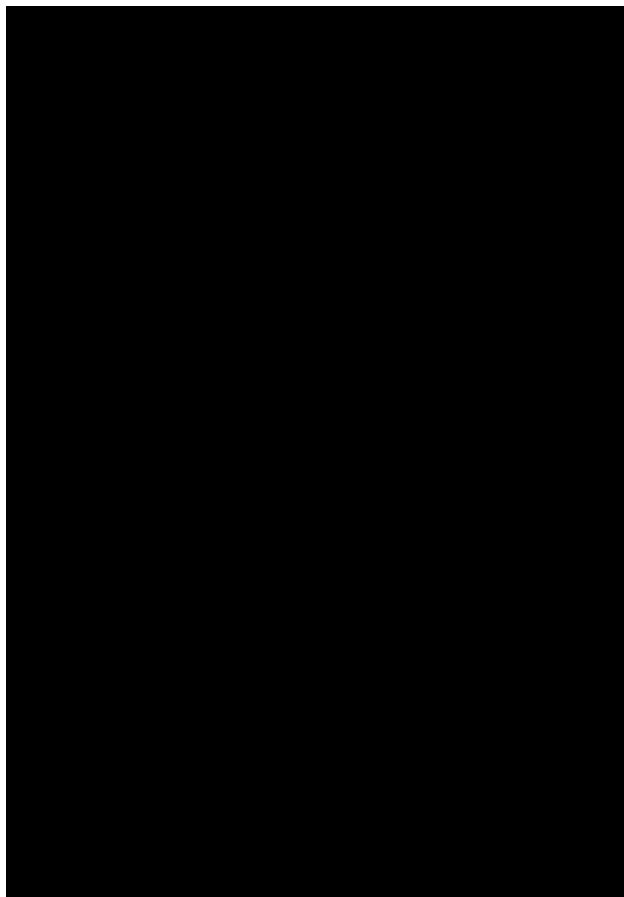
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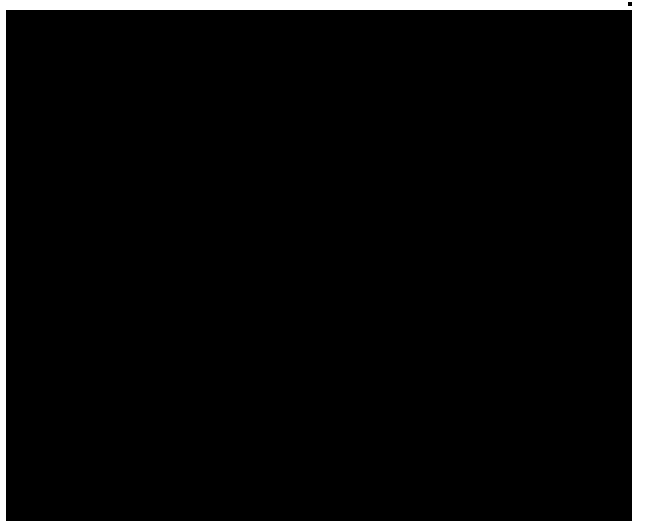
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15 Q So, again, this is dated November 27th,
16 2013. One of the solutions you posit is:
17 "Develop and execute a plan to obtain due
18 diligence on all active customers purchasing
19 controlled substances within a reasonable time
20 frame."

21 We discussed the 27,000 customer
22 backlog. Do you recall in November of 2013 the
23 need to develop and execute a plan to catch up on
24 those customer files that did not have due

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1 diligence?

2 A Yes.

3 Q And the last point says: "Additional
4 Regulatory resources are needed to prepare, review
5 and complete customer due diligence."

6 Was that the need to hire more people in
7 order to catch up on the backlog?

8 A Yes, additional resources were needed,
9 correct, to complete the due diligence. Yes.

10 Q And so that's going into the beginning
11 of 2014. That is, the need to come up with this
12 plan, to execute on it, and to get Schein in
13 compliance with its due diligence requirements,
14 and that's the state of affairs as of the end of
15 2013, correct?

16 MS. FINCHER: Object to the form.

17 THE WITNESS: 2014, you said, right?

18 Was it '14 or '13."

19 BY MR. MIGLIORI:

20 Q The end of 2013 was that document.

21 A Okay. Yes.

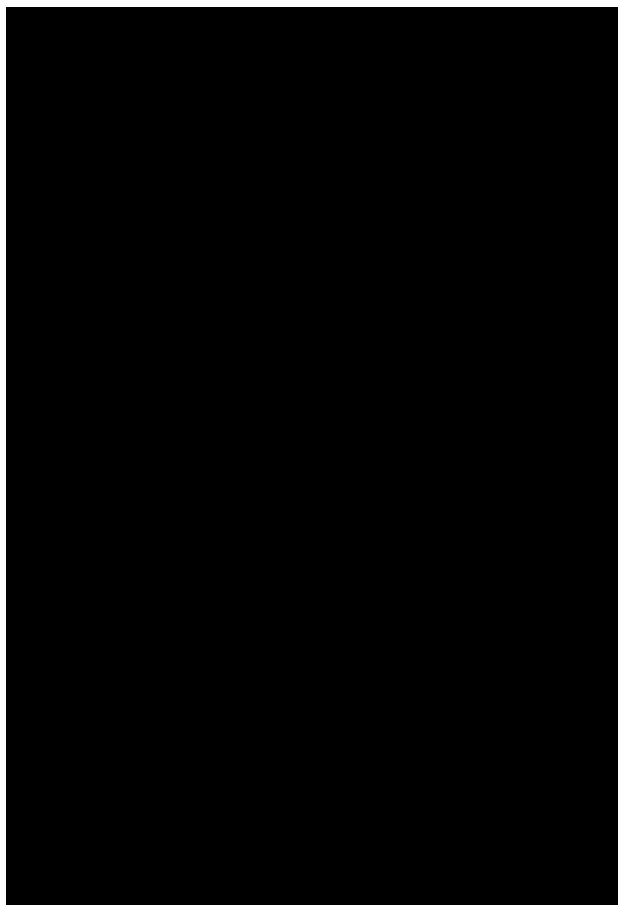
22 (Steffanie-Oak Exhibit No. 12 was
23 marked for identification.)

24 BY MR. MIGLIORI:

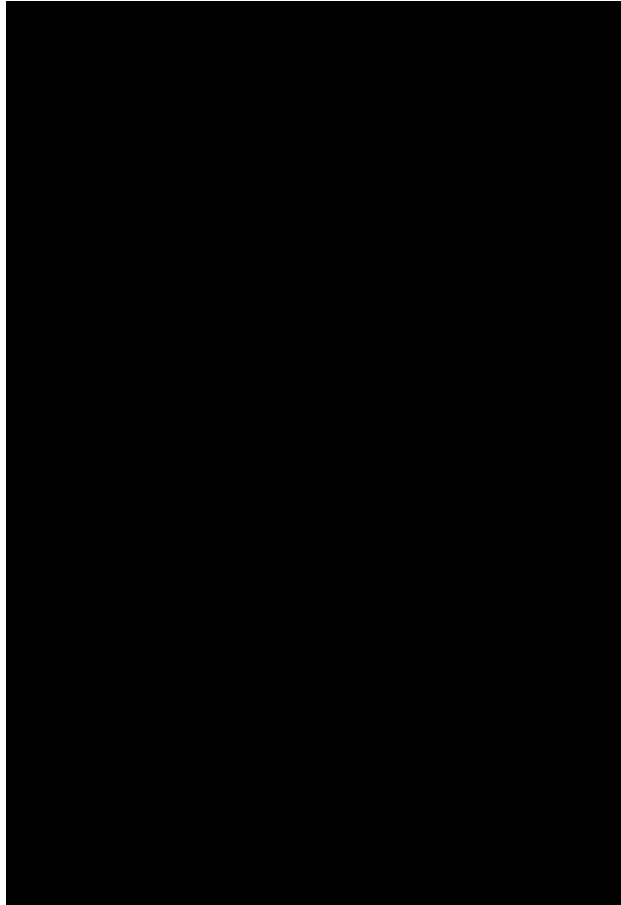
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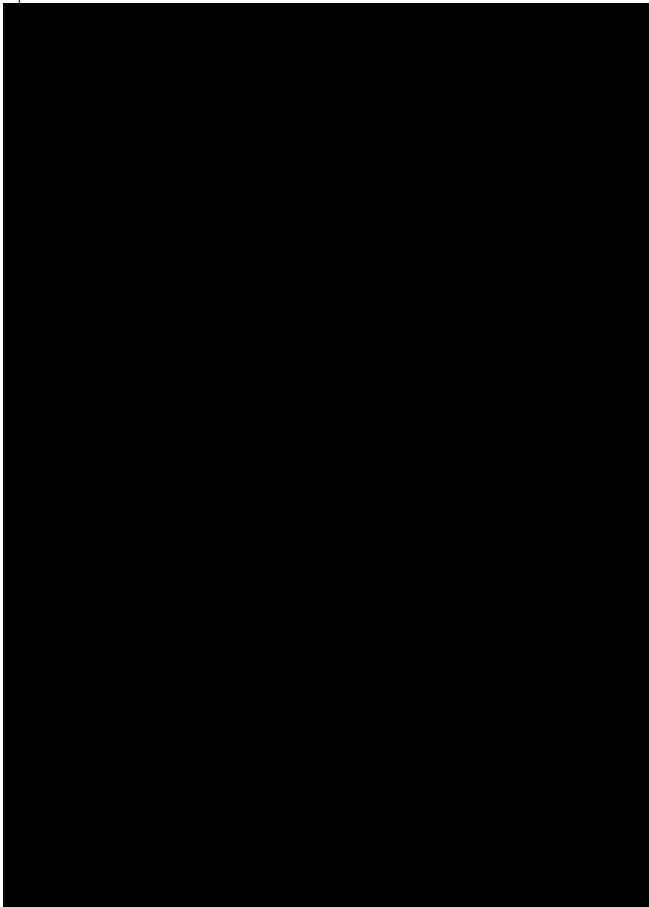
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1 process, explain what it is, why we do it, and how
2 they need to help educate their customers as well
3 on what information that we need.

4 Then there was a second show again for
5 the medical sales where we had a table set up,
6 where we would share our "Know Your Customer"
7 forms and speak one on one with the sales reps to,
8 again, educate them on the process and why we're
9 doing what we're doing, and why it's so important.

10 Q Did the sales force have any role in
11 your suspicious order monitoring/"Know Your
12 Customer" process at this time?

13 A Only as far as just educating the
14 customer on the forms that they're going to need
15 to fill out and why we need their cooperation in
16 providing the data that we're asking for.

17 Q It would be inappropriate for a
18 salesperson to tell customers how to fill out the
19 form, correct?

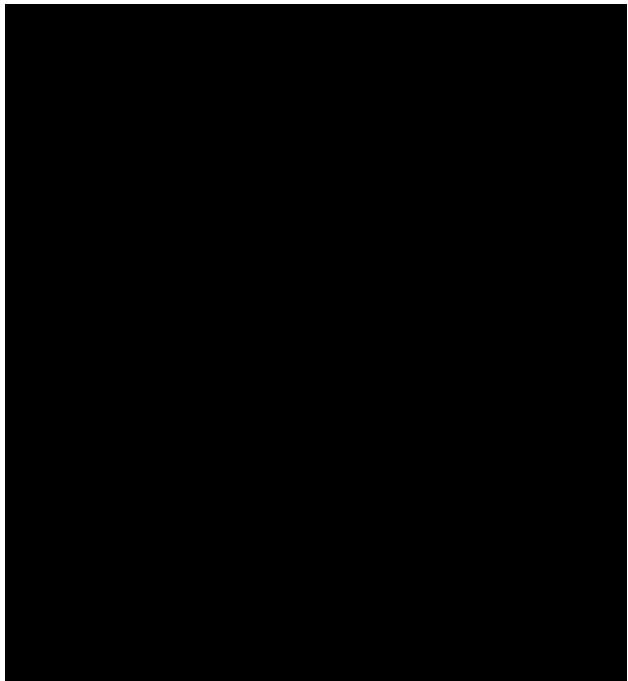
20 MS. FINCHER: Object to the form.

21 THE WITNESS: Correct.

22 BY MR. MIGLIORI:

23 Q And that is, and to provide answers that
24 would generate the least amount of scrutiny,

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1 correct?

2 MS. FINCHER: Object to the form.

3 THE WITNESS: Correct.

4 BY MR. MIGLIORI:

5 Q And -- and what kind of training
6 materials had you used for the sales teams? Was
7 it -- it says "online training module." Where --
8 where was that housed?

9 A It was -- I can't remember the name of
10 the computer system. It was -- it's a -- it's an
11 online training software that all the sales reps
12 have access to, so they use it for multiple types
13 of medical type training.

14 So my team, we created a specific
15 module, again to explain what "Know Your Customer"
16 is, why we do it, why it's important, how to help
17 educate the customer, and why they need to
18 cooperate. You know, we showed some -- some of
19 the previous companies that had been fined to try
20 to show the importance of what could happen if we
21 don't, you know, comply with the --

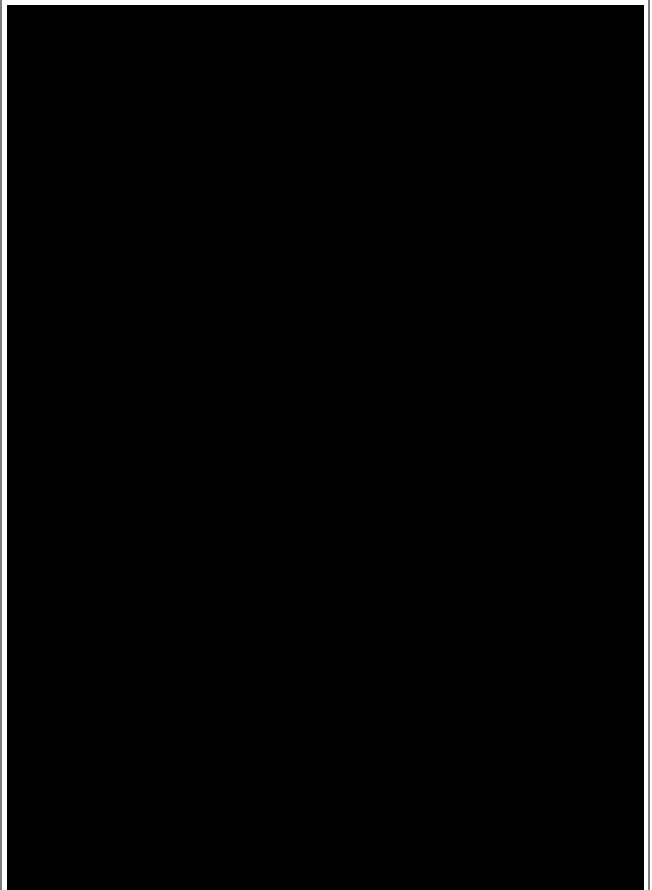
22 Q Was the prior exhibit, No. 11, part of
23 that module? Is that one of the things that you
24 would have shown the sales force?

19 Tell me what you did with the sales
20 force at Henry Schein.
21 A There was one specific sales meeting
22 where Shaun and I did a presentation to the
23 medical sales reps -- excuse me -- explaining what
24 this sort of monitoring was, "Know Your Customer"

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1 A Exhibit 11?
2 Q Your PowerPoint presentation.
3 A No.
4 Q Okay. Was -- was that online module
5 something that continued -- you continued to use
6 right through the time of your resignation?
7 A Yes.
8 Q And you don't know what system that that
9 module was housed on?
10 A I -- I can't remember the name of it.
11 Q The --
12 A It was controlled through the medical
13 education team.
14 Q And it was content that you put together
15 for "Know Your Customer" obligations for the
16 benefit of the sales force at Henry Schein?
17 A Correct.
18 Q And we've had a lot of testimony about
19 JD Edwards. I think it was called JD Edwards --
20 A Mm-hmm, yes.
21 Q -- platform. Would it have been housed
22 there?
23 A No.
24 Q Was it something that they could print

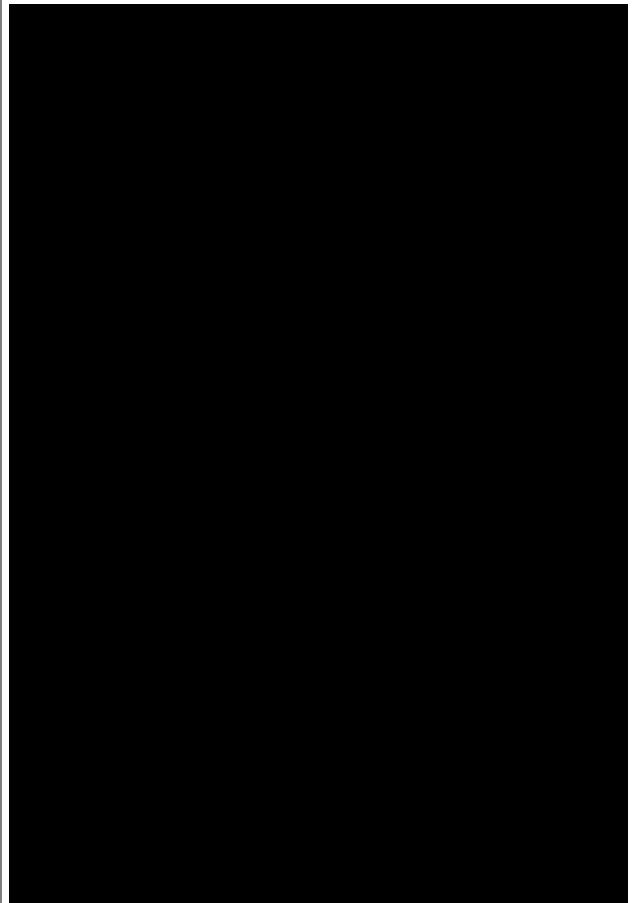
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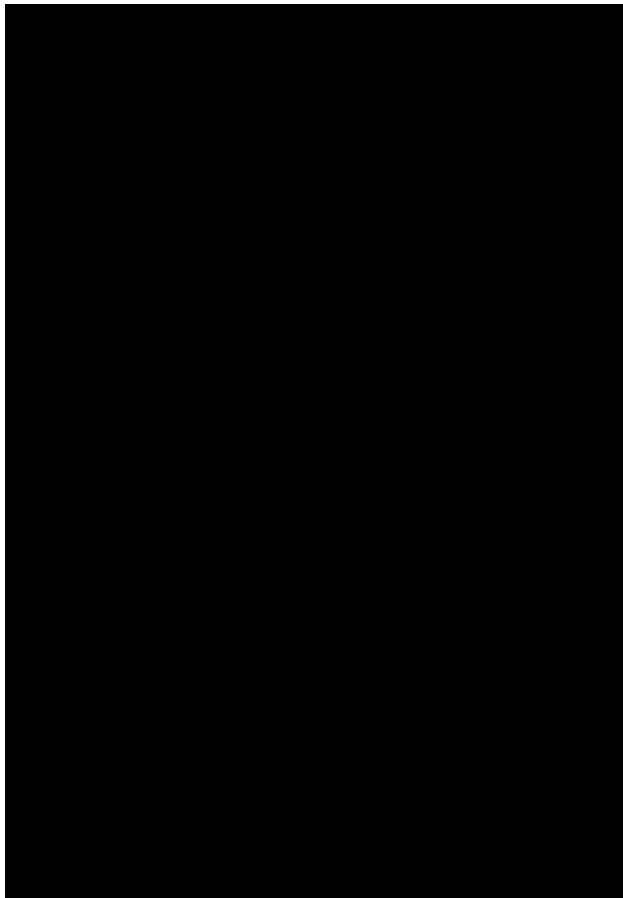
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1 out if they needed to print it out as a resource?
2 A No. No.
3 (Steffanie-Oak Exhibit No. 13 was
4 marked for identification.)
5 BY MR. MIGLIORI:

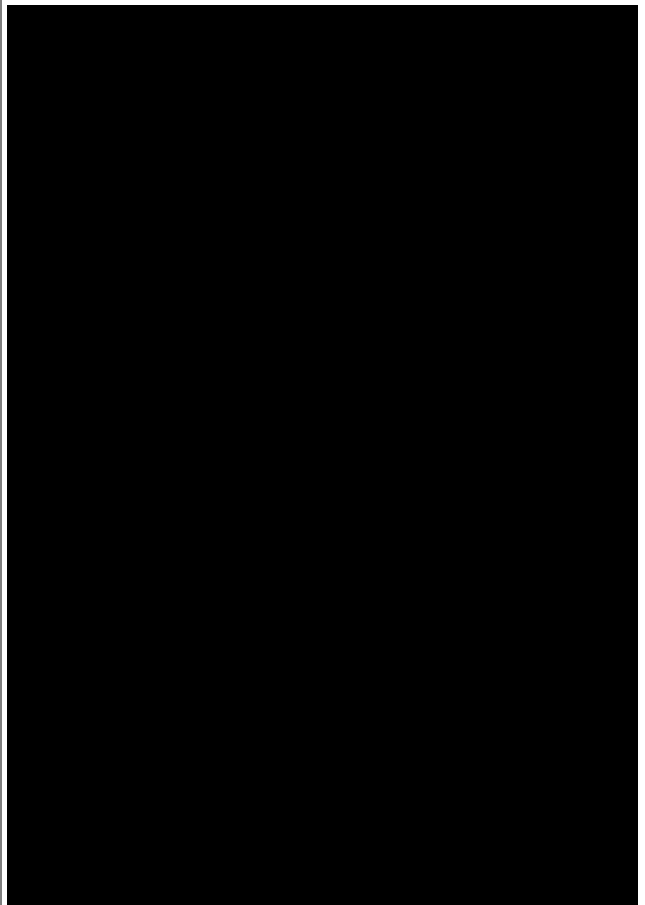
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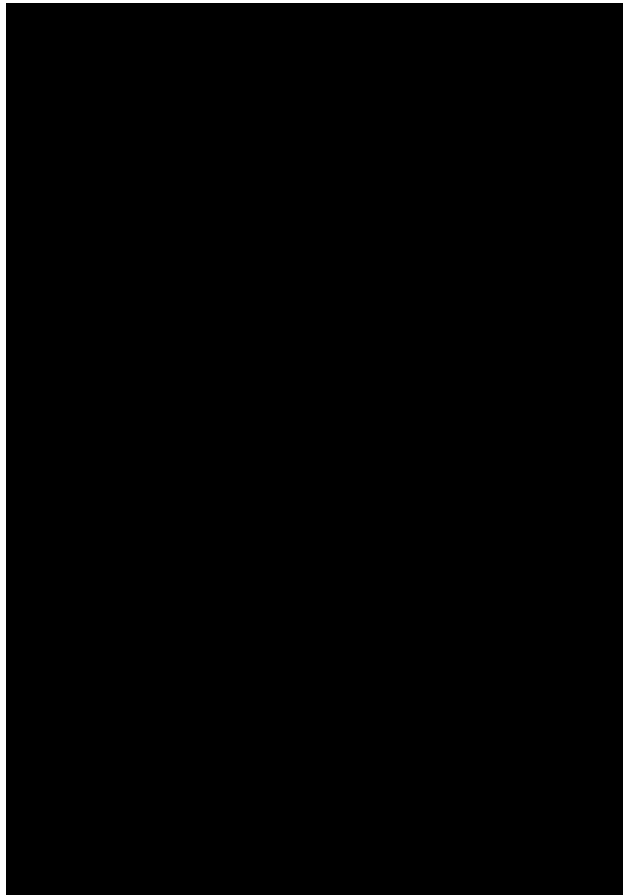
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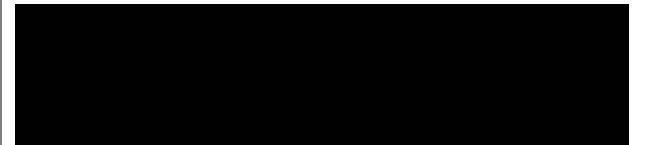
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5 BY MR. MIGLIORI:

6 Q So about 80 percent of the pended orders
7 were managed or cleared or otherwise handled by
8 Verifications, 20 percent was handled by your
9 department. Correct?

10 A Correct.

11 Q And the only MD was in Regulatory, not
12 in Verifications, correct?

13 A Correct.

14 Q And what does it mean if a physician is
15 self-medicating, restriction letters are sent by
16 them?

17 A Henry Schein had a policy that if the
18 doctor indicated on their "Know Your Customer"
19 form that they were ordering the drugs for their
20 own use, we would restrict them. So those
21 accounts did not have to go to Regulatory to --
22 for us to agree that they were self-medicating.

23 So Verifications had the authority to go
24 ahead and restrict those accounts based off of the

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1 information provided by the doctors.
2 Q And in that context, does "restrict"
3 mean they got nothing, no controlled substances
4 after that or --
5 A Correct.
6 Q Go ahead.
7 A Correct.
8 Q Okay. And you would agree with me that
9 a physician self-medicating is on its face a
10 suspicious order, correct?
11 MS. FINCHER: Object to the form.
12 THE WITNESS: I would say that, in many
13 cases, what we ended up finding out was that the
14 doctor had a valid prescription from his own
15 doctor, and he was just thinking that he could
16 just fill it out of his own supply.
17 BY MR. MIGLIORI:
18 Q Would that --
19 A So --
20 Q Sorry, I didn't mean to interrupt you.
21 A That's okay.
22 Q Would that be enough to release the
23 prescription, if he had a valid --
24 A No, it wouldn't. We would explain to

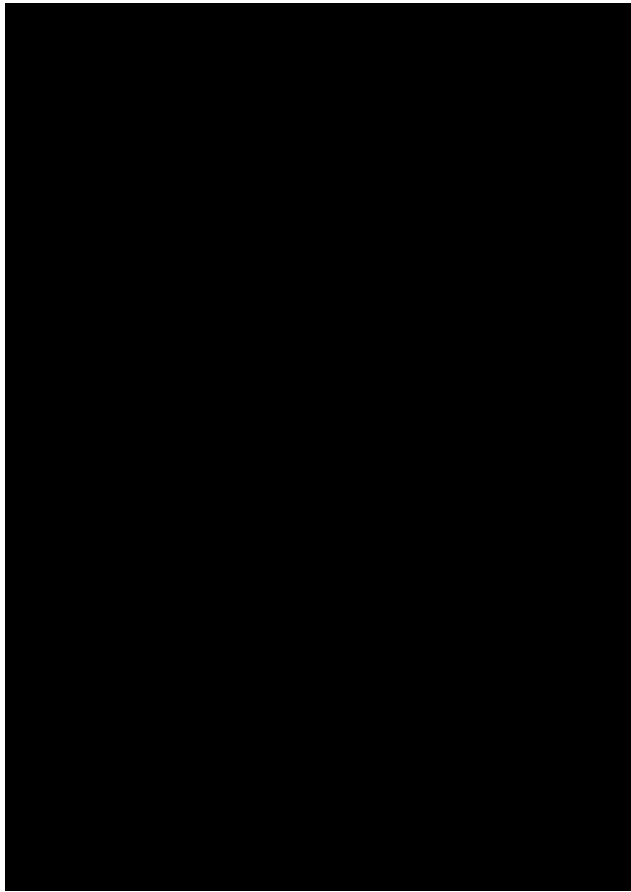
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1 them that they're acting as a pharmacy, and
2 they're not licensed as a pharmacy. And we found
3 a lot of doctors didn't realize that they couldn't
4 do that, because it's not like they were writing
5 their own prescription and taking the drugs.
6 Q So if a doctor were deemed or determined
7 to be self-medicating, and a restriction letter
8 went out, would a suspicious order be reported to
9 the DEA field office or headquarters?
10 A If there was an open order at the time,
11 it would be reported as suspicious, correct.
12 Q Okay. And failure to report a
13 suspicious order if there was an open order at the
14 time would be noncompliant with the DEA
15 regulations as you understood them, correct?
16 MS. FINCHER: Object to the form.
17 THE WITNESS: If -- yes, if there was an
18 open order and it was deemed to be suspicious,
19 yes.
20 (Steffanie-Oak Exhibit No. 14 was
21 marked for identification.)
22 BY MR. MIGLIORI:

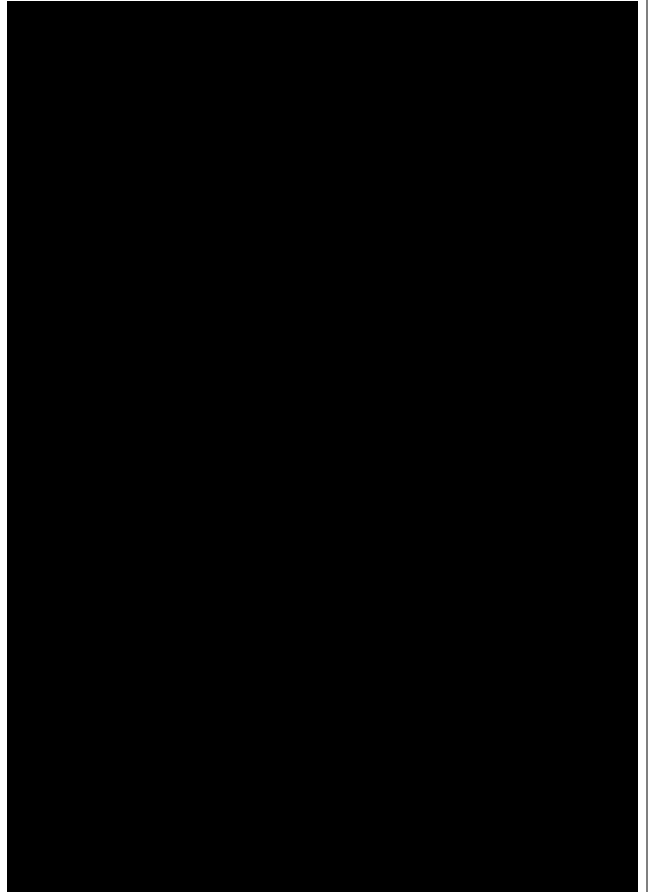
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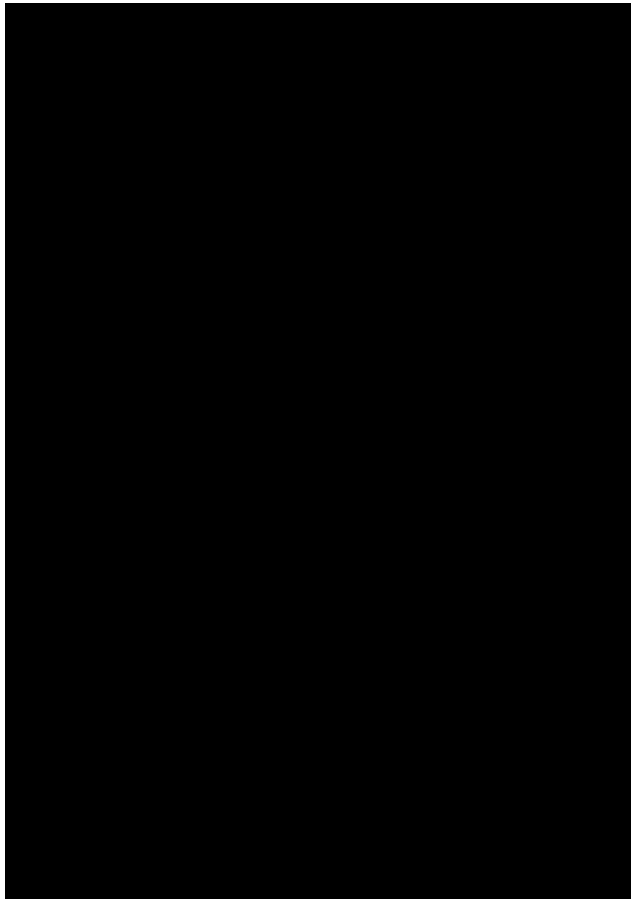
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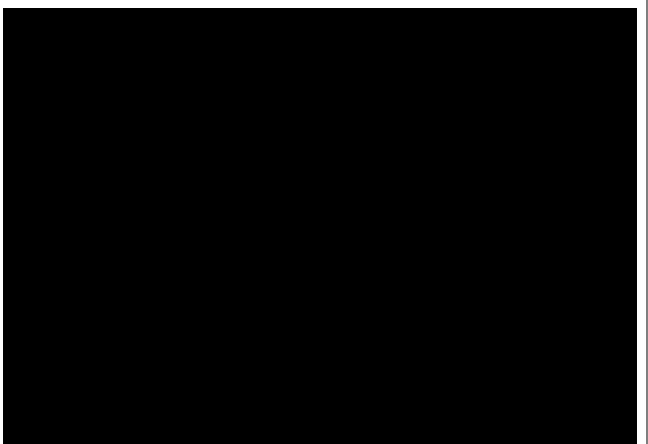
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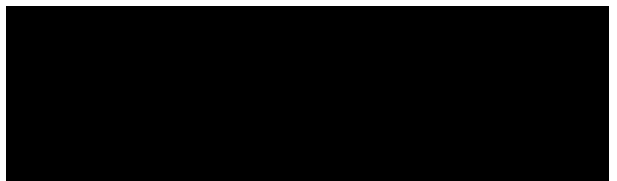


13 Q Okay.

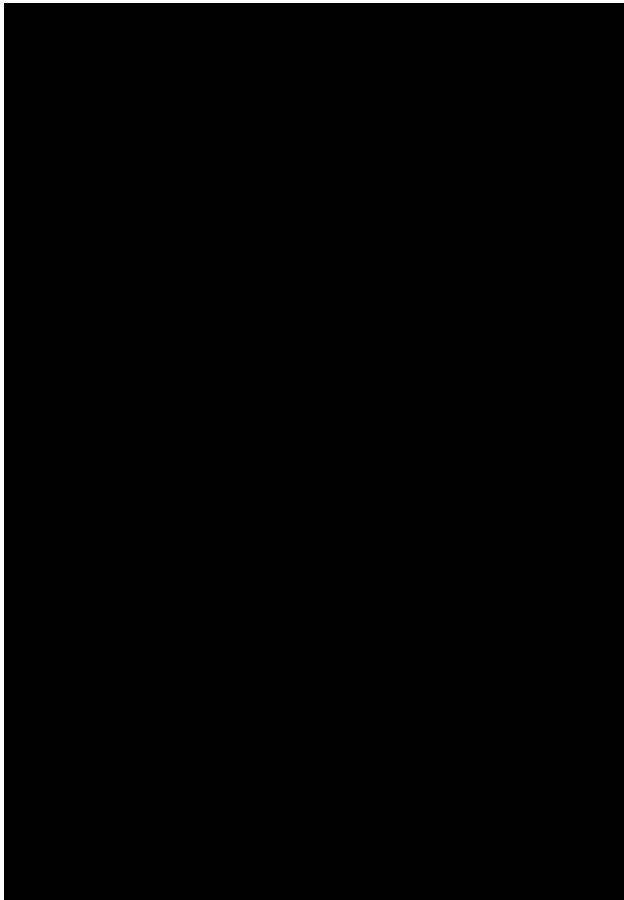
14 A Because here it's saying something was
15 developed. So I -- I'm not sure if it was ever
16 implemented or not.

17 (Steffanie-Oak Exhibit No. 15 was
18 marked for identification.)

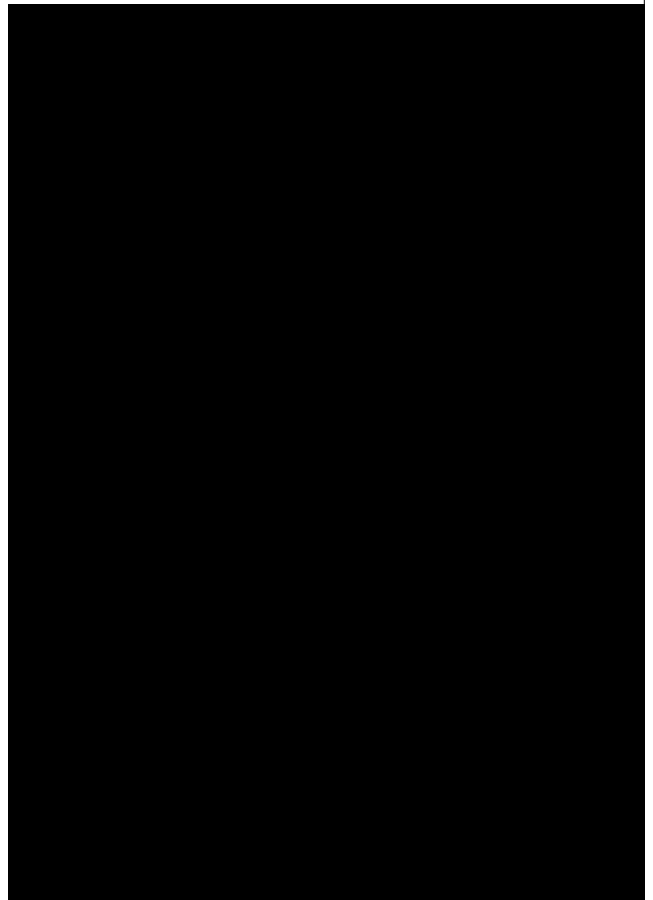
19 BY MR. MIGLIORI:



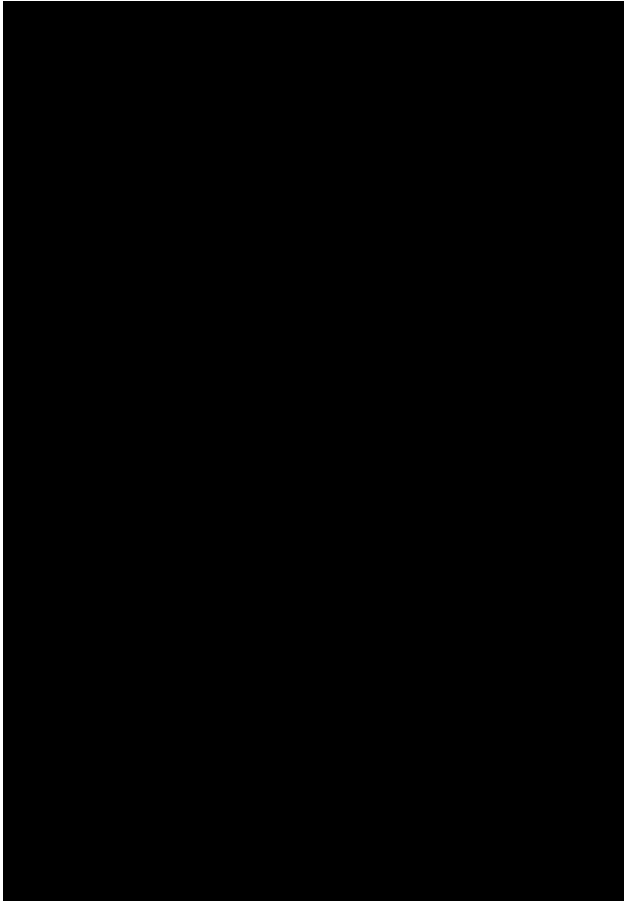
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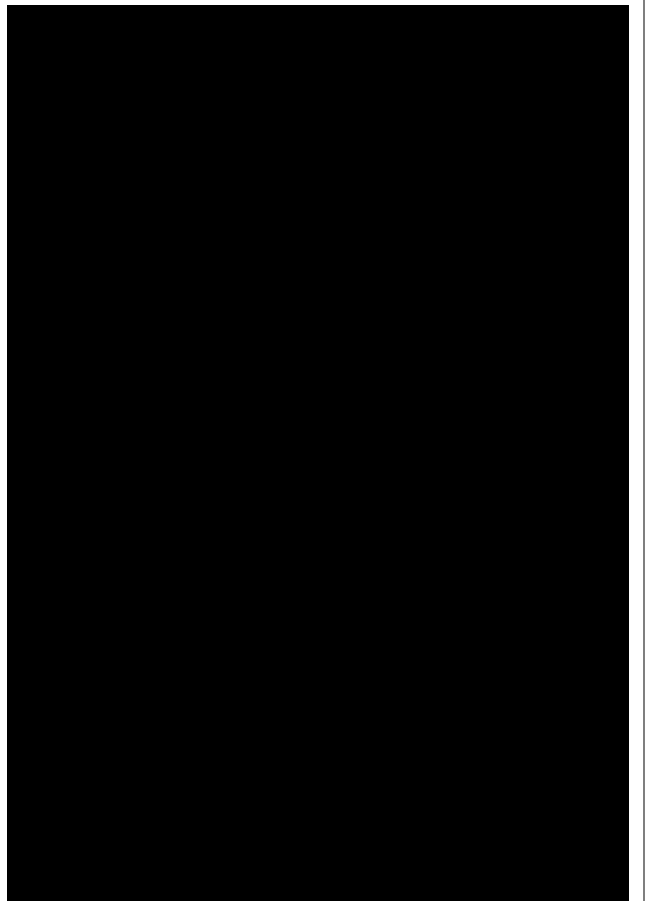
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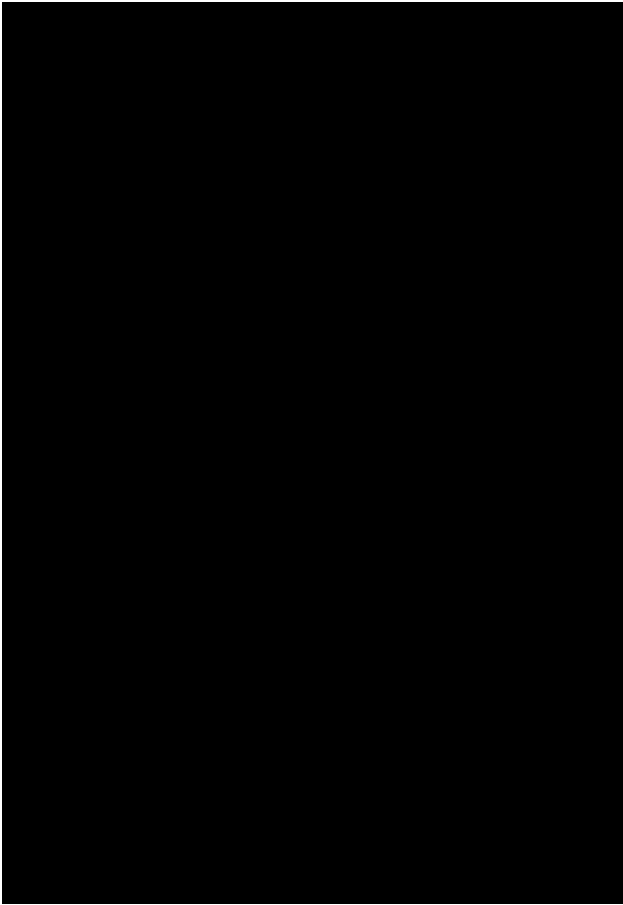
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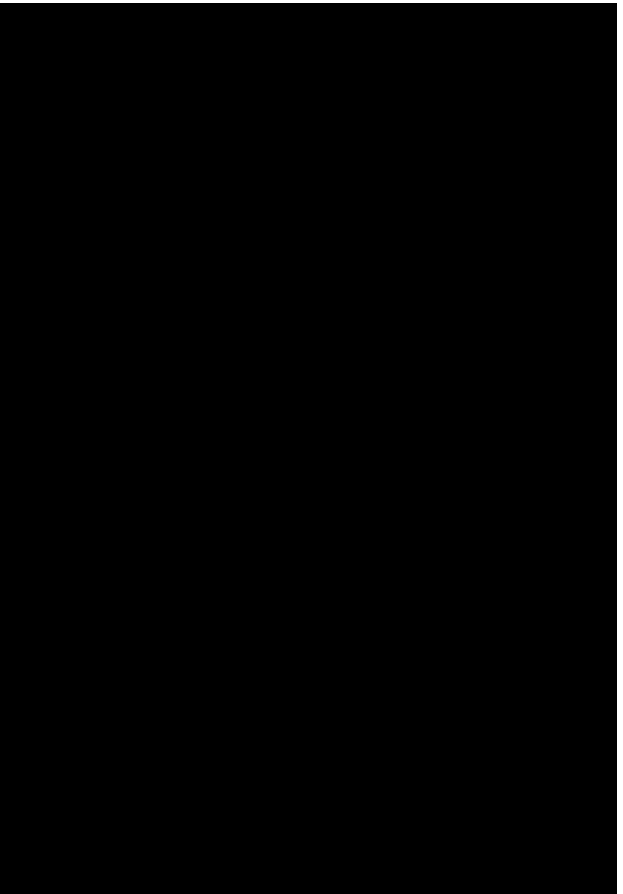
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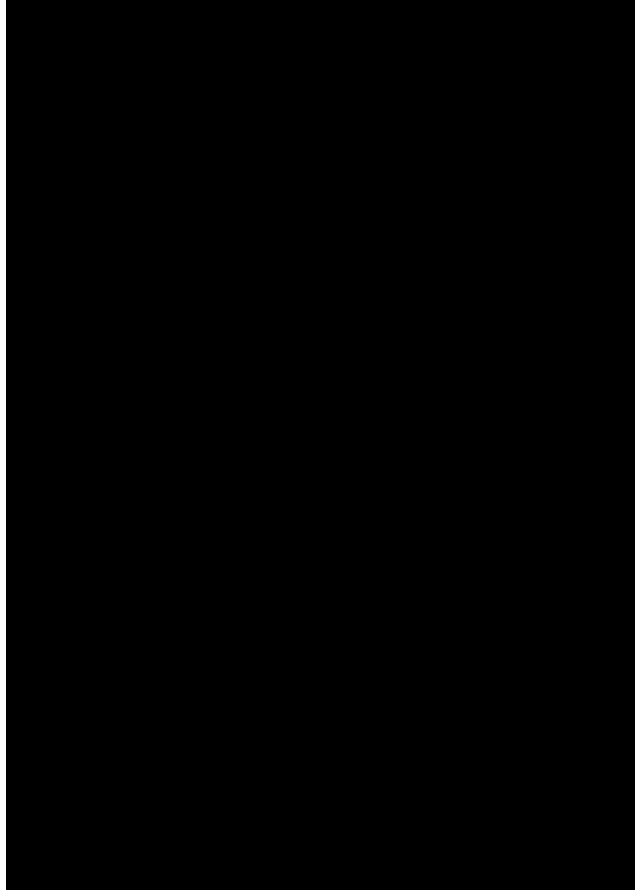
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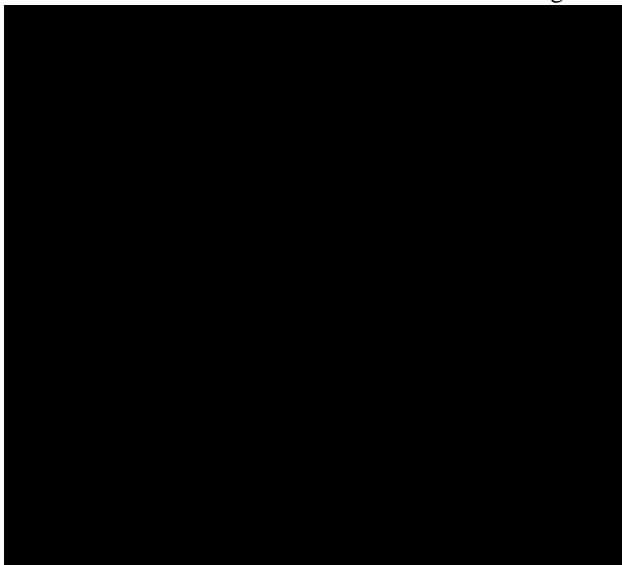
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16 (Steffanie-Oak Exhibit No. 16 was
17 marked for identification.)

18 BY MR. MIGLIORI:

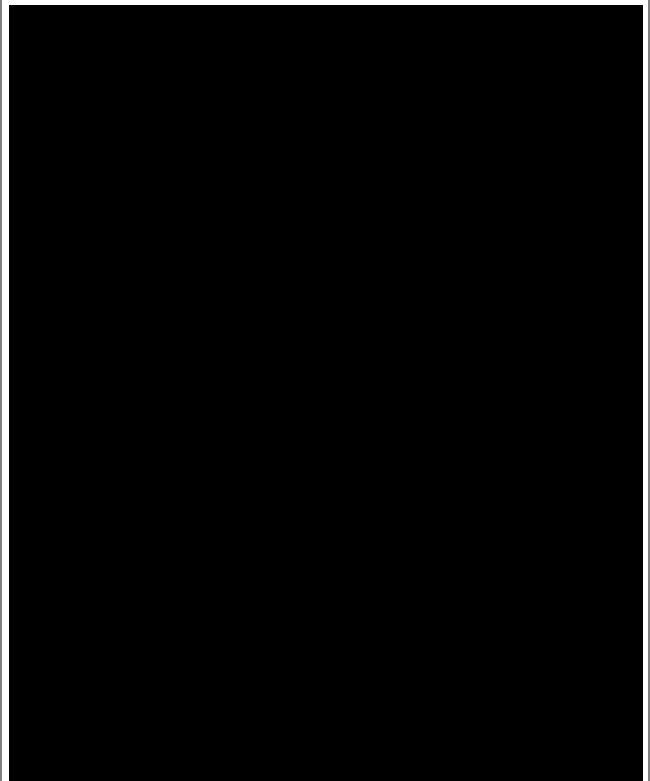
19 Q Exhibit 16.

20 Do you recognize this as a portion of
21 the CFR related to controlled substances?

22 A Yes.

23 Q It says: "The registrant shall design
24 and operate a system to disclose to the registrant

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22 BY MR. MIGLIORI:

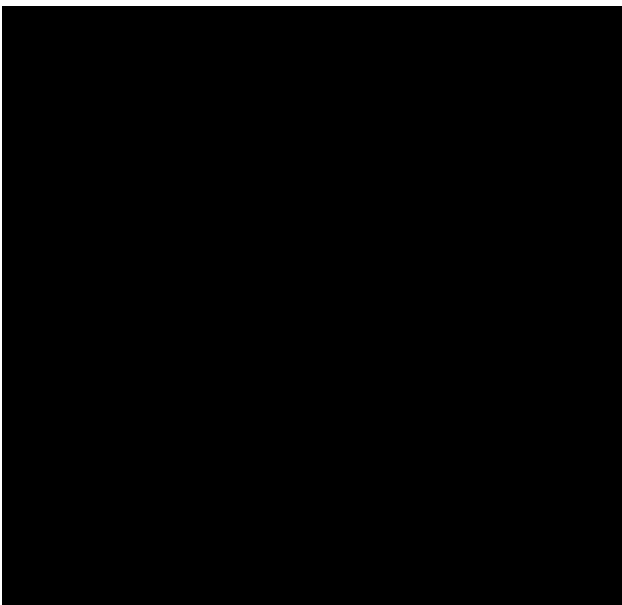
23 Q In looking at the provision that I put
24 up here, Exhibit 16, in anywhere in this provision

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1 suspicious orders of controlled substances. The
2 registrant shall inform the field office of the
3 administration in this area of suspicious orders
4 when discovered by the registrant."

5 You'll agree with me that the obligation
6 of the registrant is to report suspicious orders
7 when discovered. Correct?

8 A That's the wording, yes.



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1 does it say, Unless you've already shipped the
2 suspicious order?

3 MS. FINCHER: Object to the form.

4 THE WITNESS: I still look at it that
5 the order at the point that it was released had
6 not been deemed suspicious.

7 BY MR. MIGLIORI:

8 Q I understand that. I'm not talking
9 about the shipment. I'm talking about the
10 reporting requirement. You understand that there
11 is a shipping requirement and a reporting
12 requirement. Those are independent requirements,
13 correct?

14 MS. FINCHER: Object to the form.

15 THE WITNESS: I still feel at that point
16 in time there was nothing to report. I don't know
17 how -- that's all I can say. I don't know how
18 many --

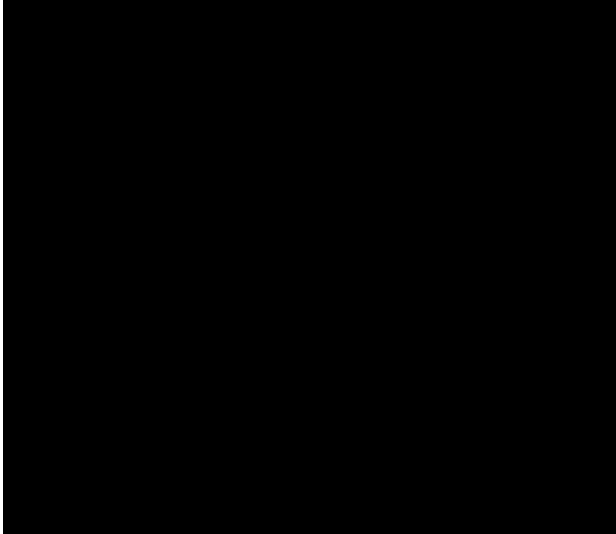
19 BY MR. MIGLIORI:

20 Q That's fine. My question is simple,
21 though.

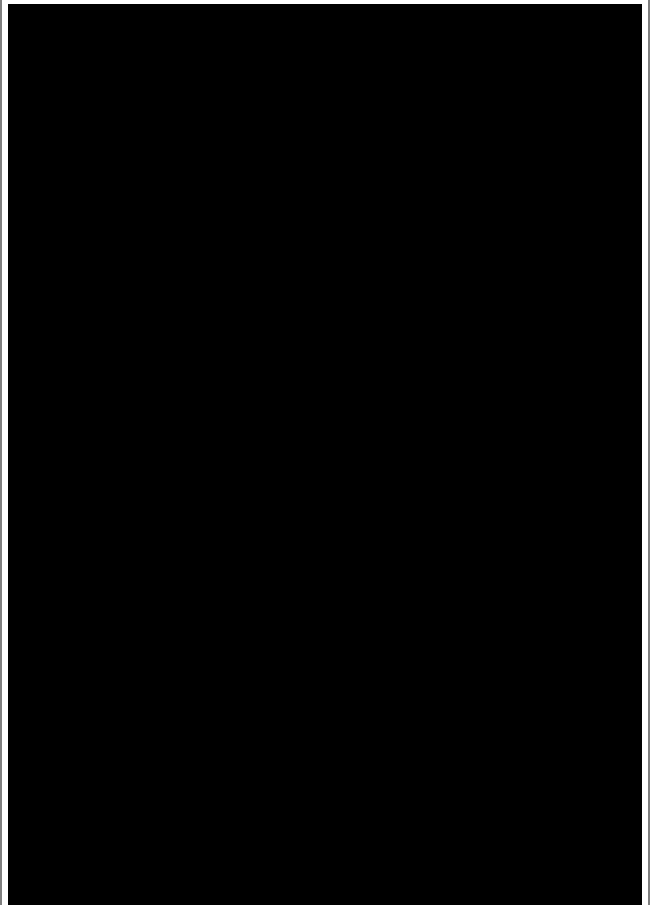
22 You will agree with me that nothing in
23 this provision says that you don't have to report
24 it if you've already shipped a suspicious order.

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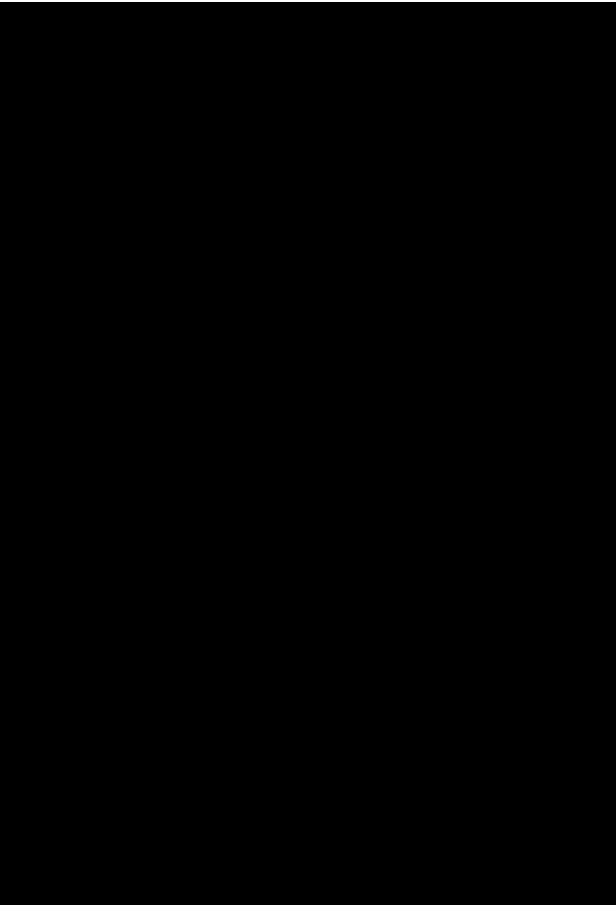
1 That's not what the regulation says, correct?
2 MS. FINCHER: Object to the form. Asked
3 and answered.
4 THE WITNESS: It doesn't mention
5 anything about shipping, correct.
6 MR. MIGLIORI: I'm going to keep my
7 promise to you of 2:00-ish.
8 (Steffanie-Oak Exhibit No. 17 was
9 marked for identification.)
10 BY MR. MIGLIORI:



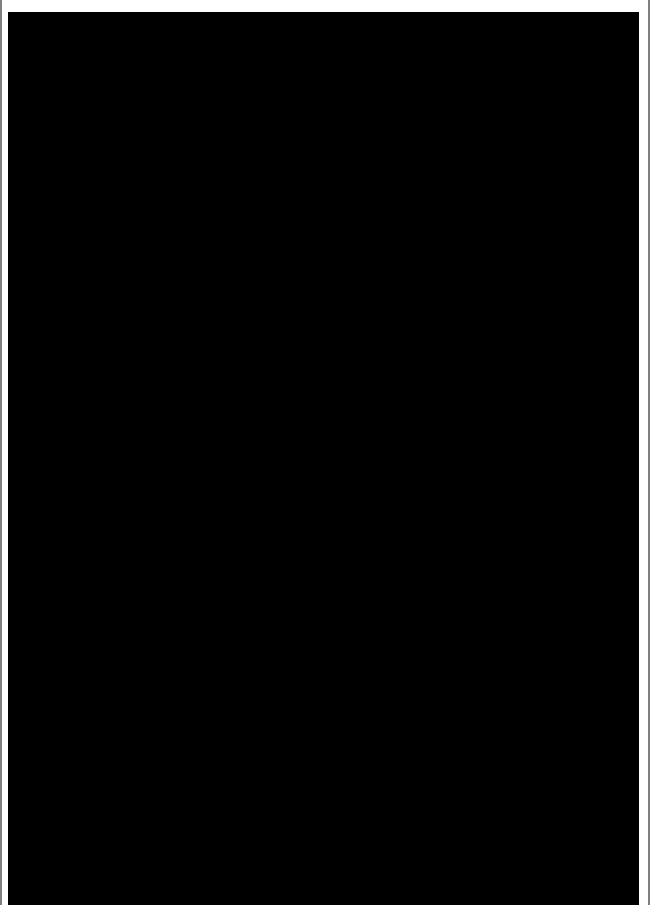
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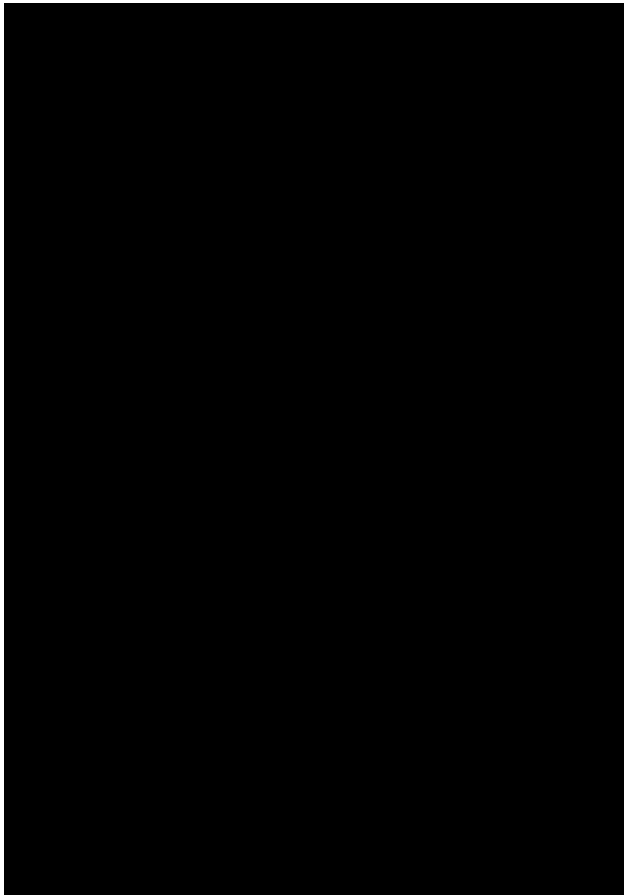
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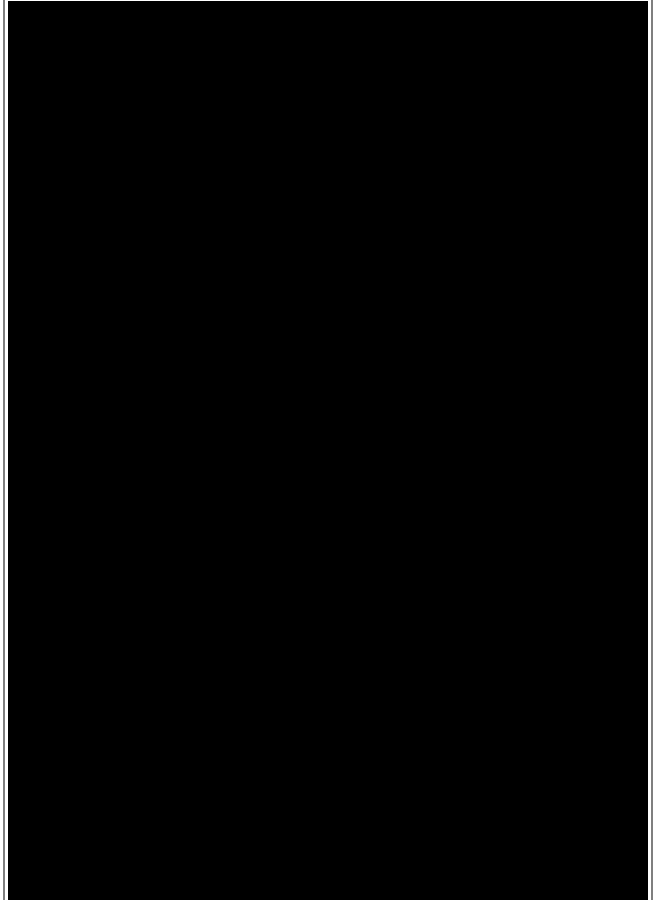
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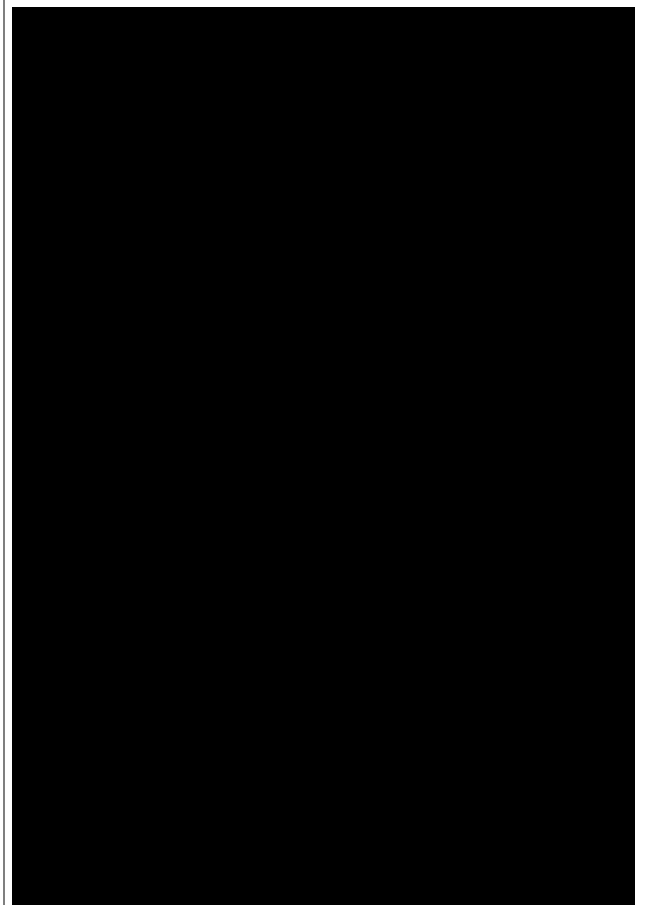
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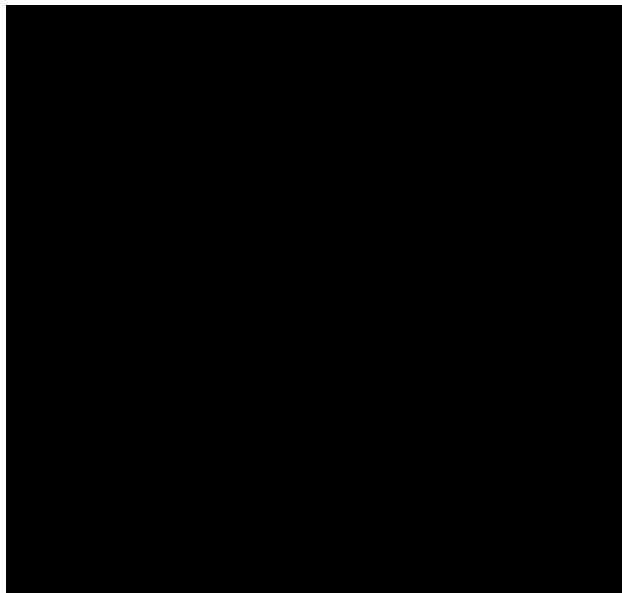
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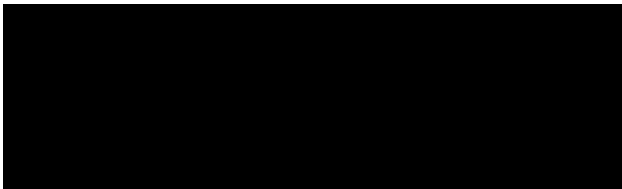
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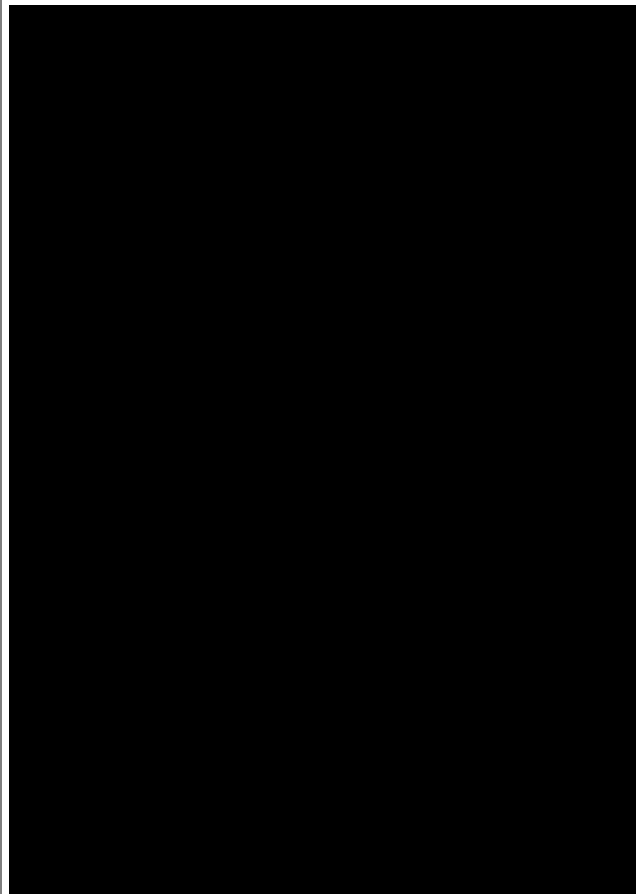
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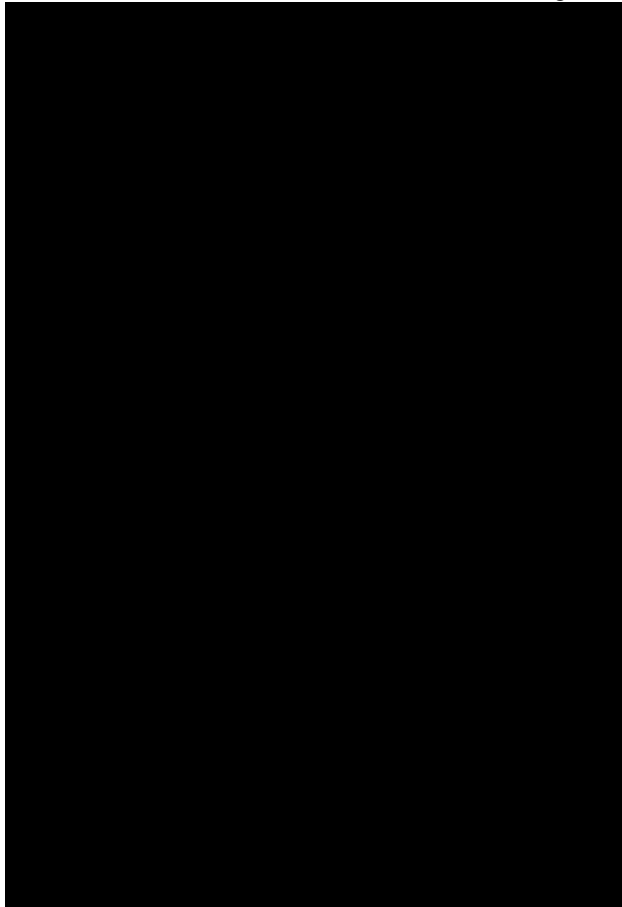
17 (Steffanie-Oak Exhibit No. 18 was
18 marked for identification.)
19 BY MR. MIGLIORI:



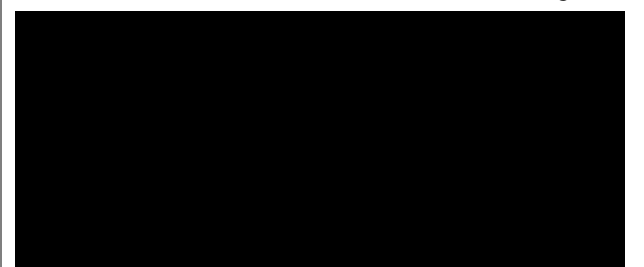
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8 I just want you to identify some
9 documents for me.

10 This is the due diligence file for one
11 of Henry Schein's customers. It's a doctor in
12 Summit County, Ohio, or -- yeah, it's a doctor in
13 the northern district of Ohio named Brian Heim.
14 This is Exhibit No. 19. And this was provided to
15 us as the entire due diligence file for Dr. Heim.

16 So let's start on the first page. So
17 when you did your review of the due diligence
18 files as the person working on -- particularly on
19 that part of the DEA compliance for Henry Schein,
20 this would be information that you would go online
21 and pull up, correct? This is an online printout,
22 isn't it?

23 MS. FINCHER: Object to the form.

24 THE WITNESS: No, we would not.

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1 BY MR. MIGLIORI:

2 Q Okay.

3 A This looks to be a printout from perhaps

4 JD Edwards --

5 Q Okay.

6 A -- that Verifications would enter notes

7 in. So this is not how I -- when I was in the

8 role, how we would receive --

9 Q Okay.

10 A -- the information.

11 Q Okay. I'm going to represent to you

12 this was presented to us as the entire file for

13 this one customer.

14 A Mm-hmm.

15 Q Okay. So this -- this -- this looks

16 like a JE Edwards inventory of the file of some

17 sort or a docketing? Is that a good word?

18 A Yeah, it looks like notes from -- I

19 can't tell with the abbreviation specifically what
20 it's referring to.

21 Q Did you work in this format at all?

22 A No.

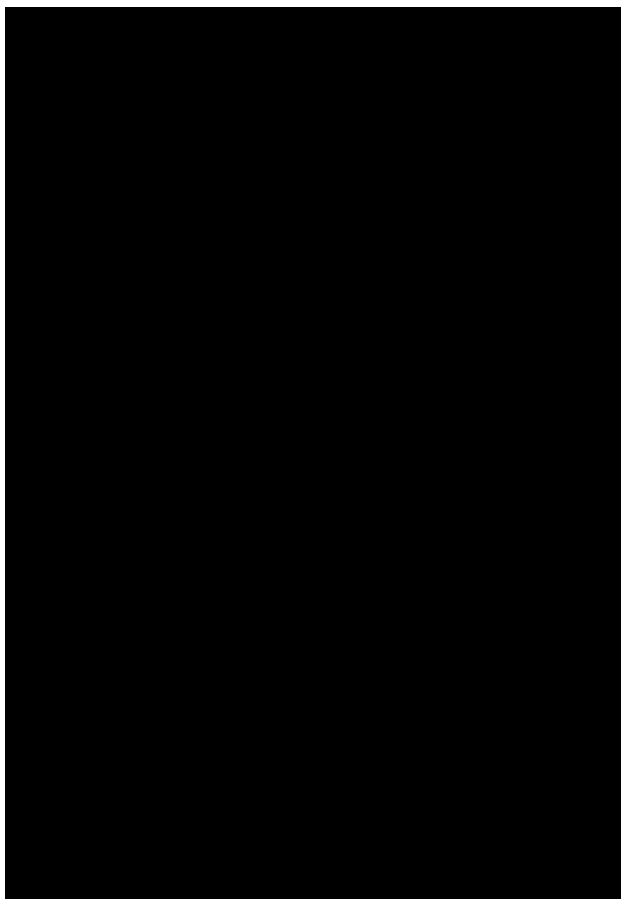
23 Q Okay. Let's see if we can at least

24 understand some of it.

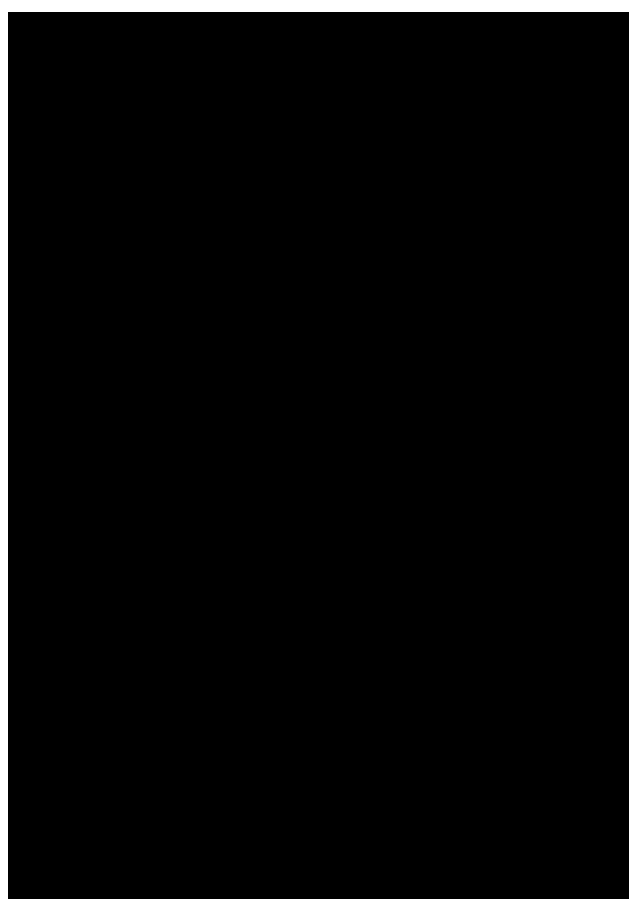
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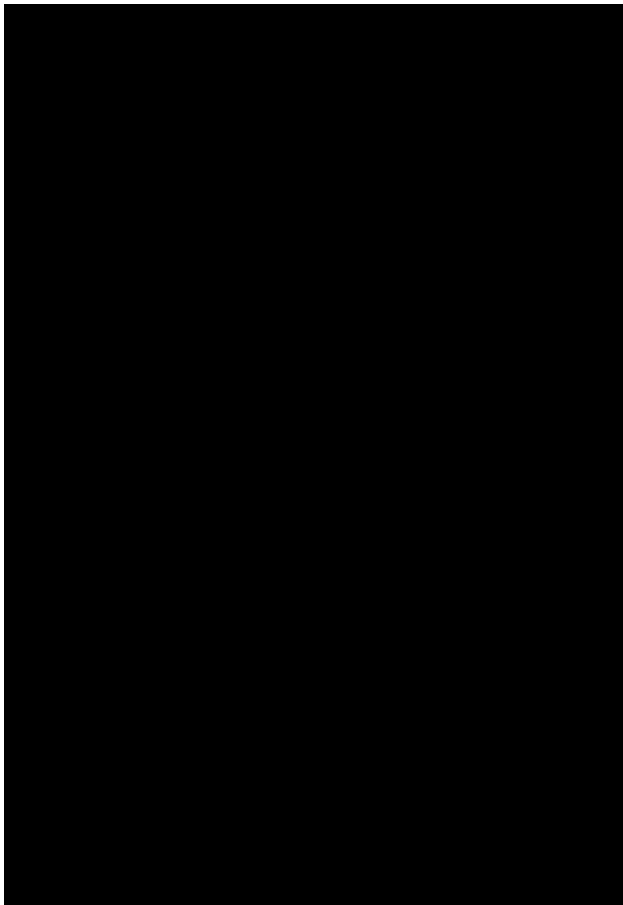
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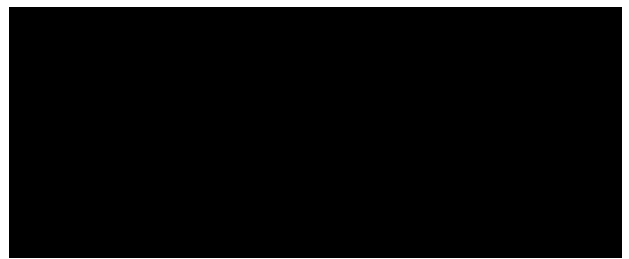
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8 A Mm-hmm.

9 Q Which is the same date on the prior page
10 as the received completed questionnaire.

11 A Yeah.

12 Q So what -- what is this questionnaire?
13 At what stage of the process is this
14 questionnaire?

15 MS. FINCHER: Object to the form.

16 THE WITNESS: This is the beginning of
17 the --

18 BY MR. MIGLIORI:

19 Q Okay.

20 A -- the first form that we would -- well,
21 not that -- we may have had a prior form, but this
22 is the form that we would send out to gather the
23 initial information.

24 Q So this would be the new client

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1 onboarding questionnaire that would go out to
2 clients -- to new customers, correct?

3 A New customers, correct. And then over
4 time, I don't remember the specific time period,
5 but we would resend out to get updated
6 information.

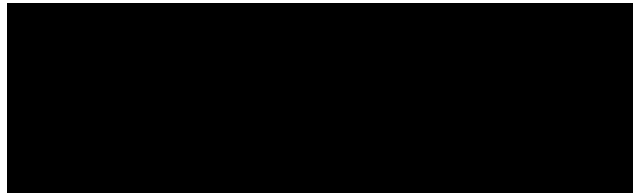
7 So the -- one account would -- would
8 receive it multiple occasions, depending on the --
9 the time that they would continue ordering with
10 Henry Schein.

11 Q Okay. But the form, as we're looking at
12 it now, is at least consistent with, in 2012, the
13 forms that would go out initially to a new
14 customer, correct?

15 A Yes.

16 Q All right. And it may, as you said, go
17 out before or again, if necessary, for some other
18 due diligence, correct?

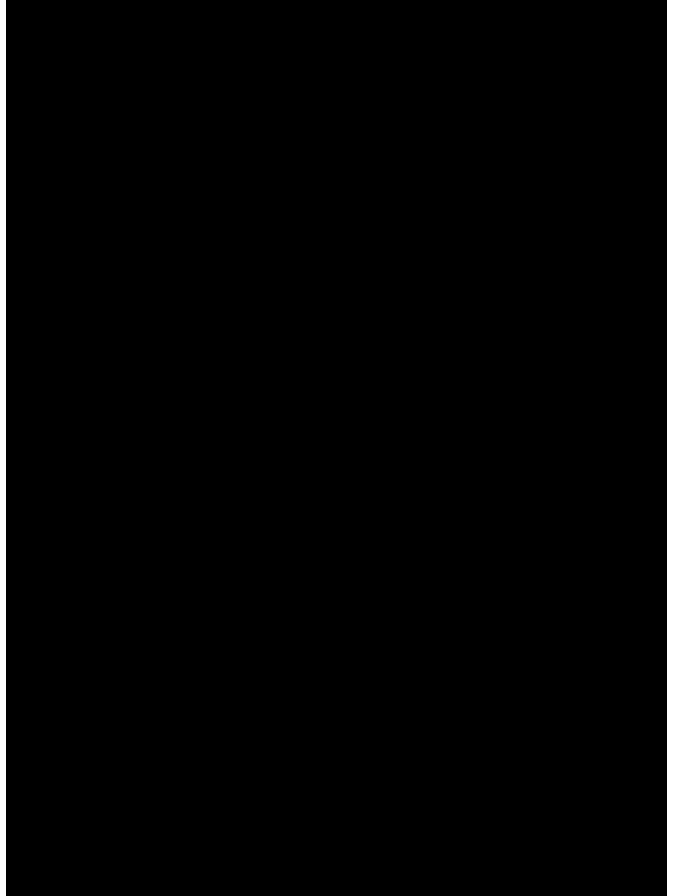
19 A Correct.



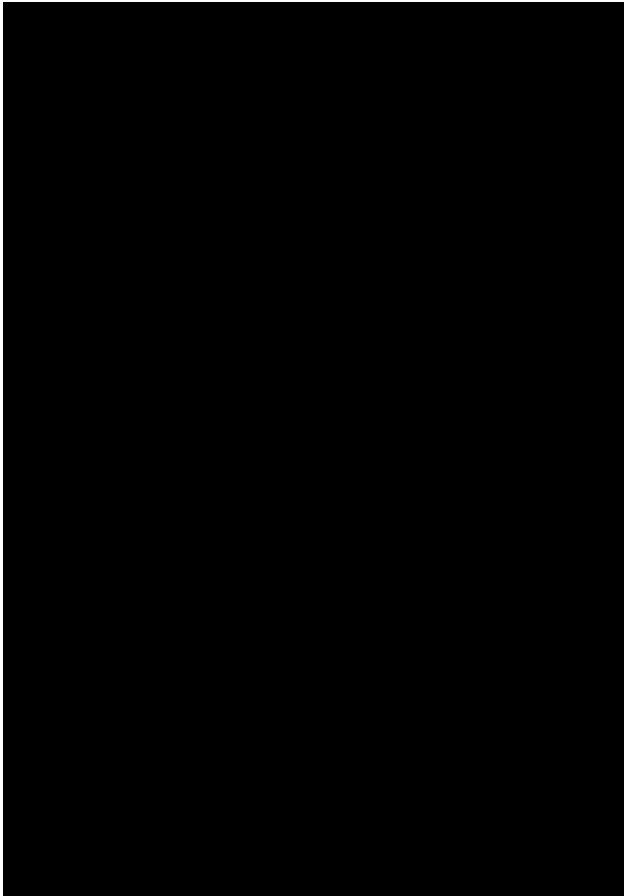
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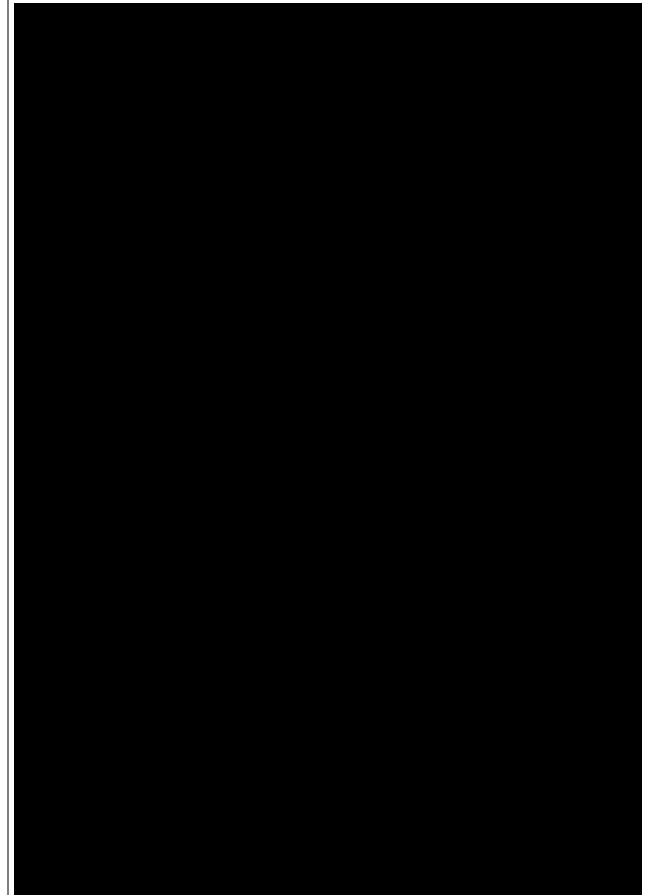
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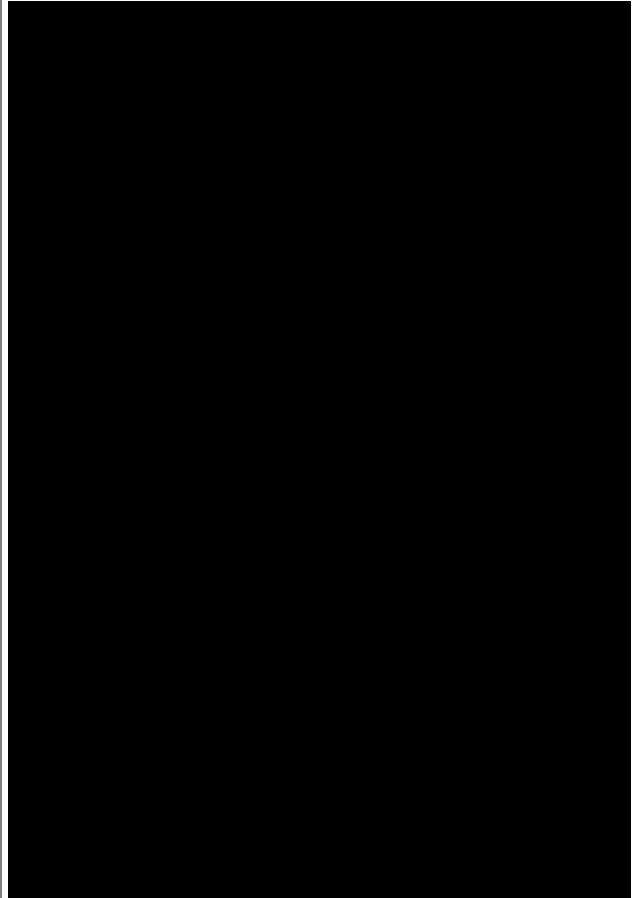
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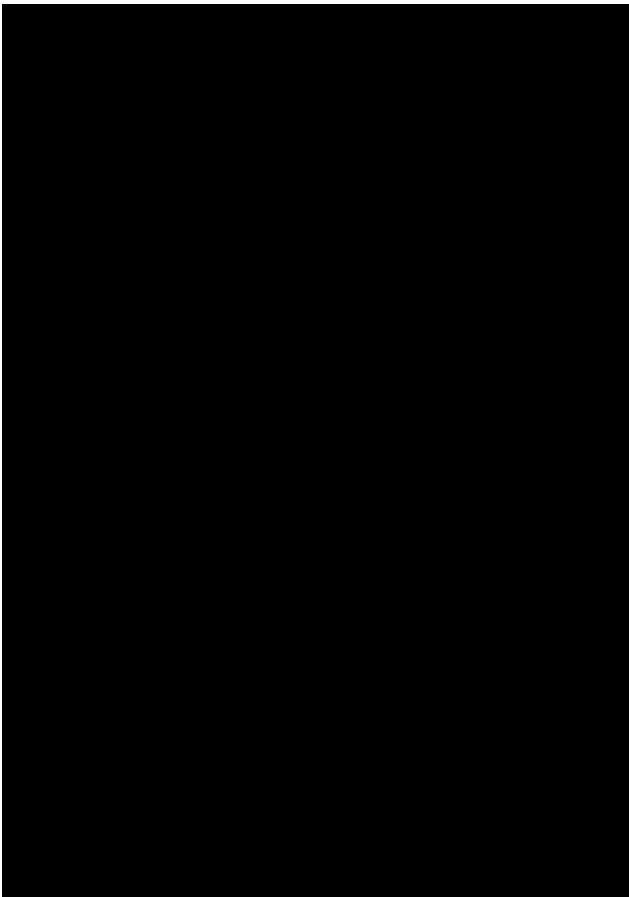
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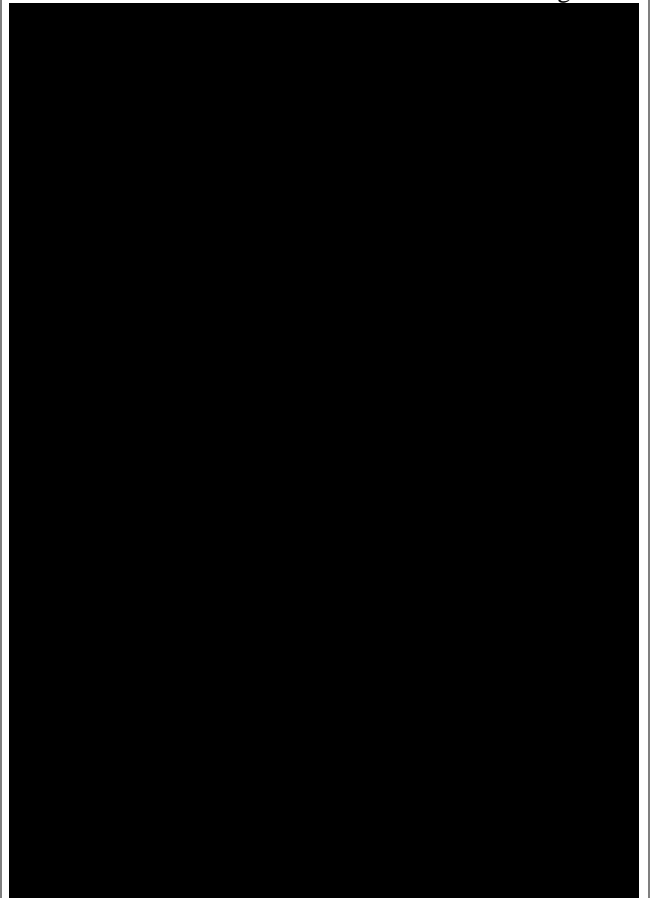
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1 review.

2 Q If there were further investigation,
3 would that investigation be in this due diligence
4 file?

5 MS. FINCHER: Object to the form.

6 THE WITNESS: Yes.

7 BY MR. MIGLIORI:

8 Q And is there any experience that you've
9 had of doing further investigation and finding out
10 that in fact the potential new customer was in
11 fact convicted of drug trafficking?

12 A Not that I'm aware of, no.

13 Q And if somebody had been previously
14 convicted of drug trafficking, is that enough in
15 the Henry Schein system to restrict that customer
16 or terminate that customer?

17 MS. FINCHER: Object to the form.

18 THE WITNESS: It -- it would depend on
19 the circumstances, I think. I mean, we would need
20 to look at it. I can't -- I mean, what -- is that
21 like selling a joint? Is that drug trafficking?
22 I don't know. I mean, I'm not sure.

23 BY MR. MIGLIORI:

24 Q Bear with me for one second.

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3 A While I was in the role, yes, we would
4 attempt to get a copy of what the disciplinary
5 action was.

6 Q Okay. And if that disciplinary action
7 demonstrated a prior history of conviction for
8 drug trafficking, is that something you would want
9 to know?

10 A Yes.

11 Q If it demonstrates a prior history for
12 loss of medical license, is that something you
13 would want to know?

14 A Yes.

15 Q And would that immediately pend or keep
16 pended this potential new customer?

17 MS. FINCHER: Object to the form.

18 BY MR. MIGLIORI:

19 Q If there was a prior conviction for drug
20 trafficking?

21 A The order would be pended, yes.
22 Initially that would be why we would do the
23 review. But, correct, that would be a reason not
24 to. To continue to hold until you can do the

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10 THE WITNESS: If we're able to access
11 it. So there are cases where it says, "Yes," and
12 we may not be able to access it and reach out to
13 the state, and sometimes they won't release it.

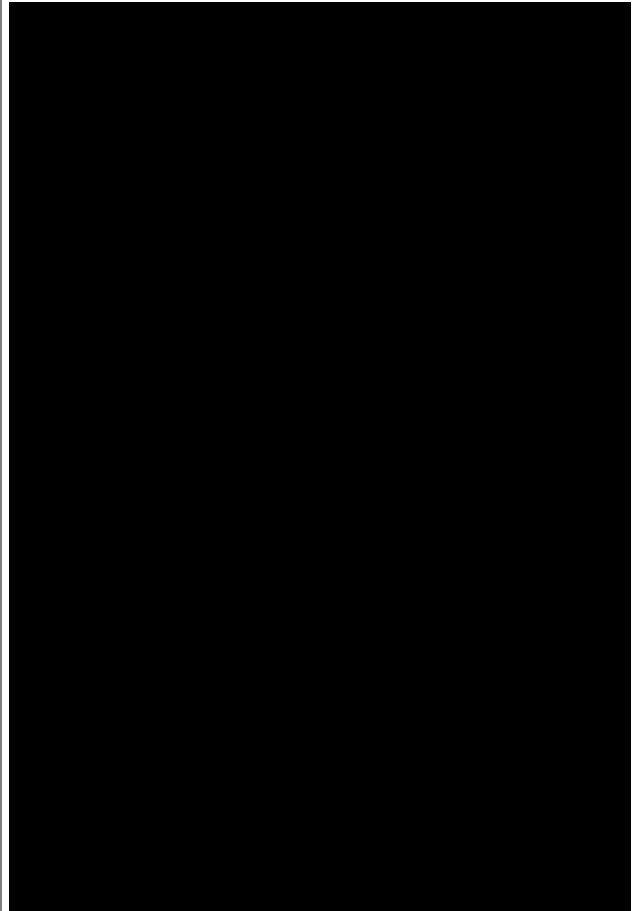
14 So sometimes there's a link directly to
15 it. I know there have been -- I can think of at
16 least one other time where we tried to get copies
17 and weren't able to get it, and maybe due to the
18 length of time that has passed because the system
19 only holds a certain -- they only go back so far.

20 But if it's available, I know when I was
21 in the role, we did the best to make sure that we
22 can get a copy of it and review it.

23 BY MR. MIGLIORI:

24 Q If you inquired of the Ohio Board of

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1 Pharmacy or the State Medical Board of Ohio about
2 prior disciplinary actions, would that notation of
3 inquiry be in the file?

4 A Yes.

5 MS. FINCHER: Object to the form.

6 BY MR. MIGLIORI:

7 Q And if they provided you with any
8 information, would that be in the file?

9 A Yes.

10 Q And did Henry Schein do anything to look
11 in the criminal justice system to see whether or
12 not its new customers had been convicted or
13 indicted on drug-related offenses --

14 MS. FINCHER: Object to the form.

15 BY MR. MIGLIORI:

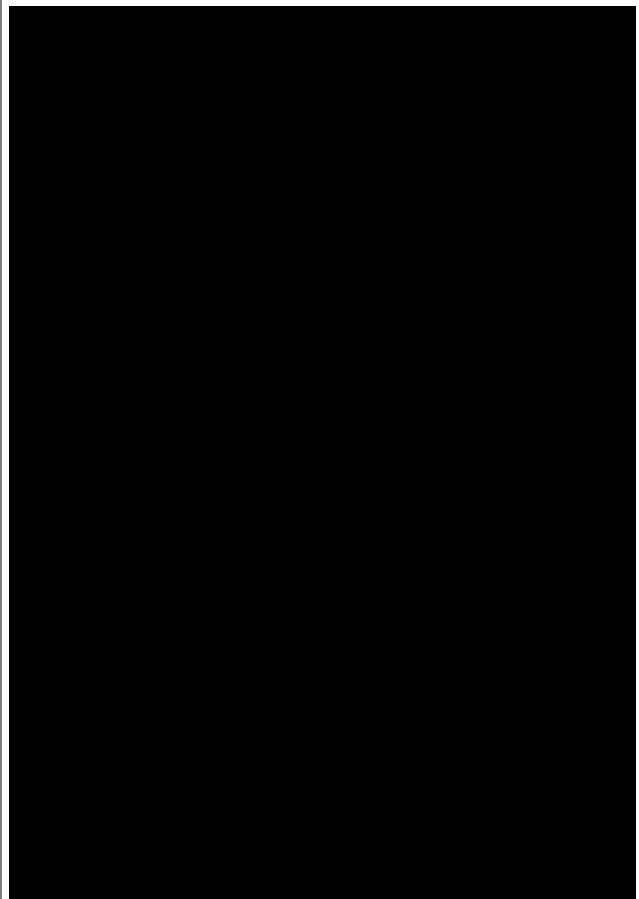
16 Q -- in performing its due diligence?

17 MS. FINCHER: Object to the form.

18 THE WITNESS: As I mentioned earlier,
19 they only did a -- we only did a license
20 verification. If the charge had an impact to the
21 medical license, even if they were on probation
22 for something, if that was in the system, we would
23 review it.

24 BY MR. MIGLIORI:

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<div data-bbox="245 134 868 573" data-label="Image"></div> <p>13 BY MR. MIGLIORI: 14 Q If it -- if the DEA contacted Henry 15 Schein and said, We're investigating one of your 16 customers, please send us information, is that 17 inquiry alone something that should be in the due 18 diligence file? 19 MS. FINCHER: Object to the form. 20 THE WITNESS: It's part of the customer 21 file, but it -- 22 BY MR. MIGLIORI: 23 Q Let me be more specific. 24 If the DEA contacts Henry Schein and</p>	<p>1 over the course of time in the system. 2 Q So this -- 3 A So it's reviewed and saved. Just -- 4 Q What -- I'm sorry. What's been produced 5 to you is -- produced to us as the due -- as the 6 file, the due diligence file for that doctor. 7 And my question very simply is, if the 8 DEA informs Henry Schein that it is investigating 9 for criminal purposes one of your customers, would 10 you as the DEA person at Henry Schein expect that 11 information to go into the due diligence file or 12 somewhere else? 13 MS. FINCHER: Object to the form. 14 Improper hypothetical, assumes facts not in 15 evidence. 16 THE WITNESS: I would expect it to go 17 into the system and be notified of the concern. 18 BY MR. MIGLIORI: 19 Q If a doctor puts in an order, does 20 Verifications have to go through multiple 21 different files to find out whether or not to pend 22 it? 23 MS. FINCHER: Object to the form. 24 THE WITNESS: There's different scanned</p>
Page 223	Page 225
<p>1 says, We believe that your customer has ordered 2 unusually large volumes of controlled substances, 3 please provide us your supply transactions, is 4 that something that at Henry Schein should show up 5 in the due diligence file? 6 MS. FINCHER: Object to the form. 7 Improper hypothetical, assumes facts not in 8 evidence. 9 THE WITNESS: I've never seen a request 10 like that from the DEA where they actually stated 11 that, but we would get requests all the time for 12 sales data, and it would be part of the customer 13 file, but it didn't -- it doesn't get matched up 14 to the questionnaire, I guess is what I'm saying. 15 Overall, it's additional information that's stored 16 in the system, it's reviewed, but it's not 17 attached with this. So you wouldn't get it 18 with -- it's in the system. 19 BY MR. MIGLIORI: 20 Q It's in -- in what system? 21 A They'll scan it into JDE, but it's not 22 part of -- this file at the time that it's 23 produced, it's scanned in, so you can't keep 24 adding to a scan. There may be multiple documents</p>	<p>1 attachments in the system, but they're named a 2 certain way so that when they open them, they know 3 what they are. 4 BY MR. MIGLIORI: 5 Q And so DEA inquiries, other than the one 6 you referenced on August 30th, 2012, would not 7 automatically go into a due diligence file? 8 MS. FINCHER: Object to the form. 9 THE WITNESS: I guess I look at it 10 different, but it's in -- it's in the customer 11 file. I guess if everything is in there, you're 12 referring to it as a due diligence file, then it's 13 there. I'm looking at it as an initial packet 14 that they get when they first approve a customer, 15 and it's a snapshot in time of what was looked at. 16 BY MR. MIGLIORI: 17 Q Let me -- 18 A And then there may be additional things 19 that come in. 20 Q Maybe that's a disconnect. 21 I want you to assume that Exhibit 19, 22 the document in front of you, that is, the 23 customer file, that's what was produced to us from 24 Henry Schein about this doctor.</p>

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1 A Okay.

2 Q If that's how it's been produced to us,
3 would you expect a DEA inquiry and request for
4 transactional information about a doctor to be
5 somewhere in that customer file?

6 MS. FINCHER: Object to the form.

7 THE WITNESS: No, if it wasn't
8 specifically requested, and you're only asking for
9 the KYC customer file, then no, it may not have
10 been pulled.

11 BY MR. MIGLIORI:

12 Q No, I'm asking for actual orders, number
13 of pills sold.

14 MS. FINCHER: Object to the form.

15 THE WITNESS: I'm misunderstanding.

16 MS. FINCHER: You want to reask the
17 question again?

18 THE WITNESS: Yeah, please reask it.

19 BY MR. MIGLIORI:

20 Q If the DEA calls up Henry Schein and
21 says, We are investigating one of your customers,
22 and we need to know how many pills were sold to
23 this guy over the past X number of months, does
24 your due diligence system do anything to try to

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1 make sure that that information is documented in
2 the customer file?

3 A Yes.

4 MS. FINCHER: Object to the form.

5 THE WITNESS: Yes.

6 BY MR. MIGLIORI:

7 Q All right. So that kind of inquiry from
8 DEA should be somewhere in the customer file,
9 wherever it is.

10 A Correct.

11 Q Okay. That's all I was asking. Thank
12 you.

13 (Steffanie-Oak Exhibit No. 20 was
14 marked for identification.)

15 BY MR. MIGLIORI:

16 Q I'll show you Exhibit 20, and then I've
17 got one more after this.

18 Now, you said you hired Glenn Linnquist,
19 right?

20 A I was one of the people. I interviewed
21 him, yes.

22 Q So he was hired on to be sort of the
23 backup help for the -- the due diligence project,
24 correct?

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1 A That's one of the things that he did,
2 but that wasn't the sole reason why he was hired.

3 Q Right. But when we talked about him
4 earlier, he was one of the -- that was one of the
5 first things you did is you hired him and another,
6 correct?

7 A I -- when I came into the role, I lost
8 the two people that were going to be reporting to
9 me, so Glenn was one of the ones that replaced the
10 two I already had.

16 So the due diligence form, would that be
17 the initial form, do you know?

18 MS. FINCHER: Object to the form.

19 BY MR. MIGLIORI:

20 Q Or is it too --

21 A I don't know.

22 Q -- not specific enough?

23 A I don't know. I would have to see the
24 file. Because, again, customers, they don't just

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1 stick with one form. As time goes on, we get a
2 new form.

3 Q Okay.

4 A And also, again, because it's coming to
5 Regulatory, we're kind of given that package of
6 information from Verifications.

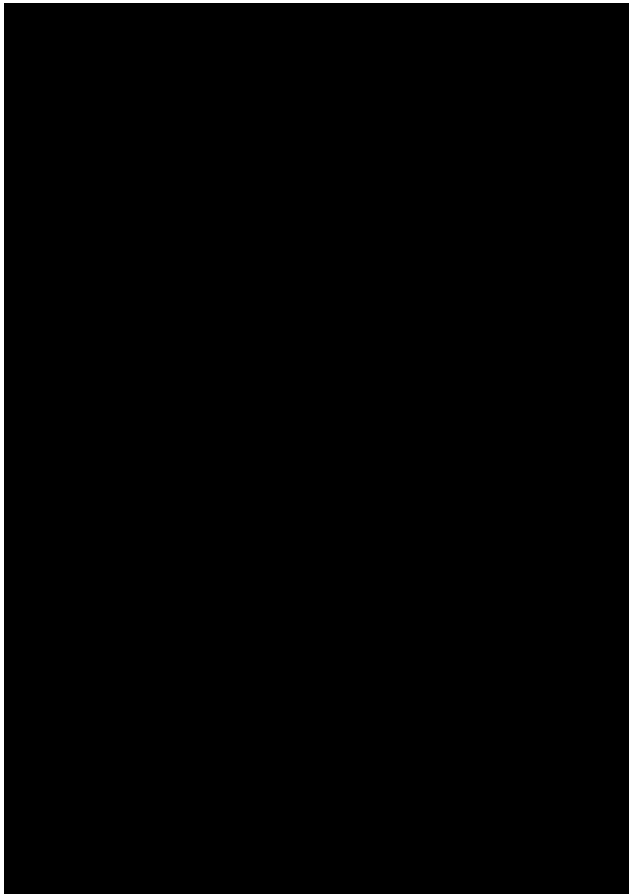
7 Q Got you. This is all that's attached.
8 That's why I'm asking --

9 A Yeah.

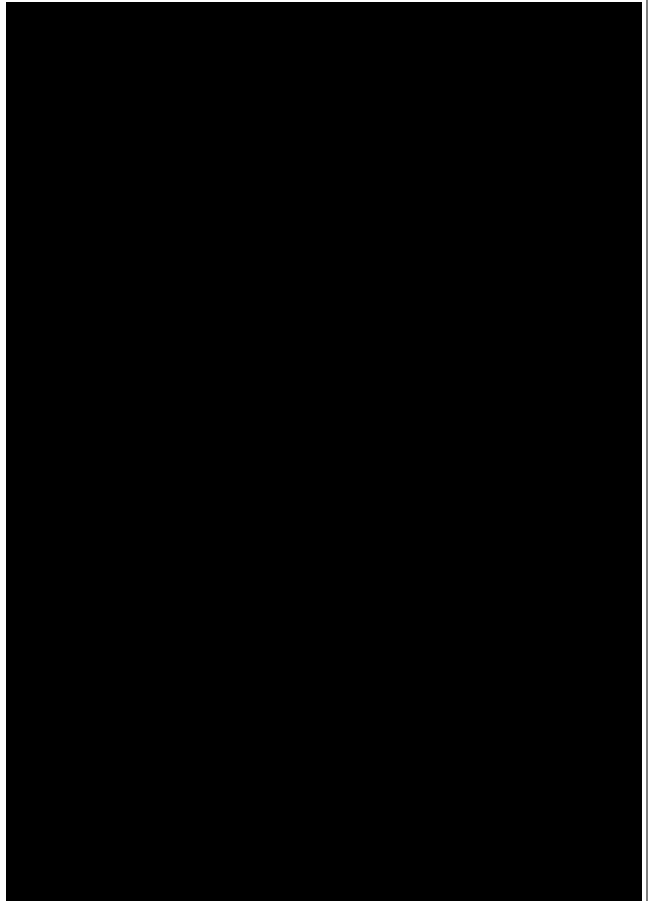
10 Q -- because I don't -- I don't know
11 either.

12 A Yeah.

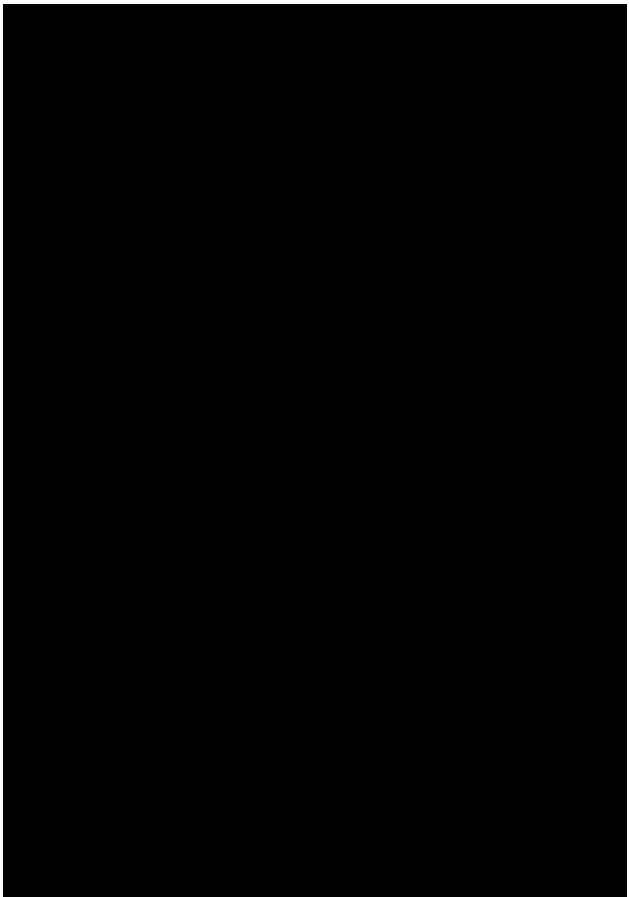
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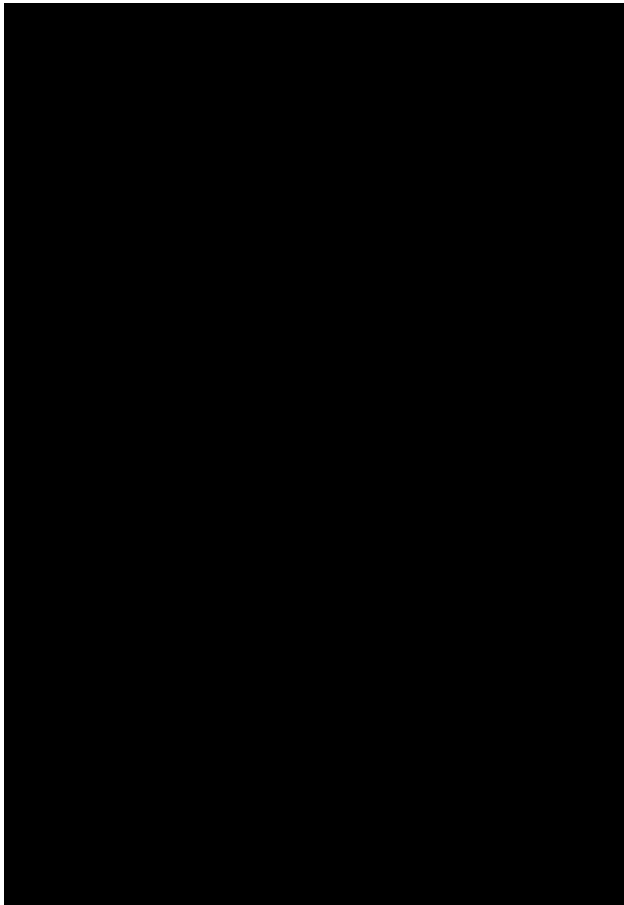
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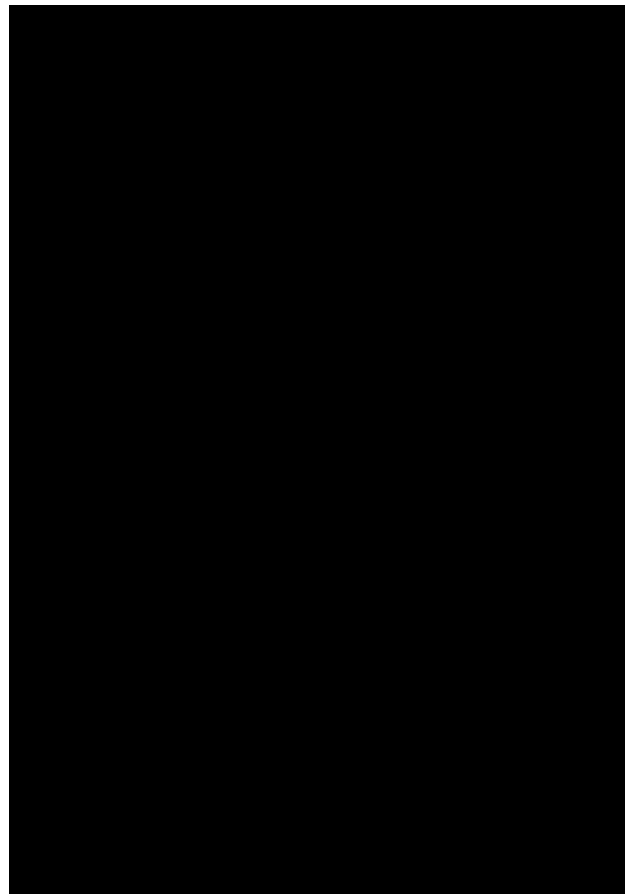
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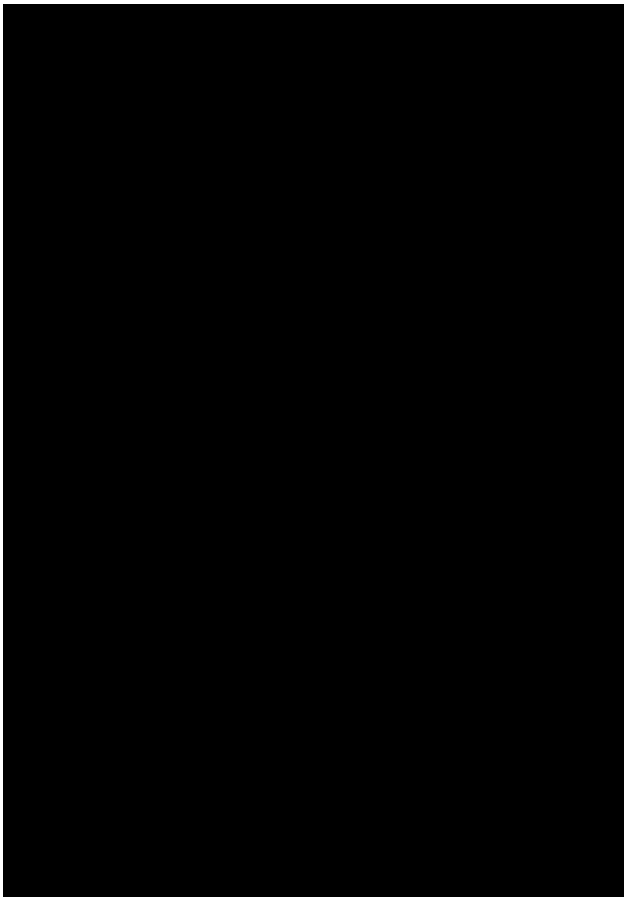
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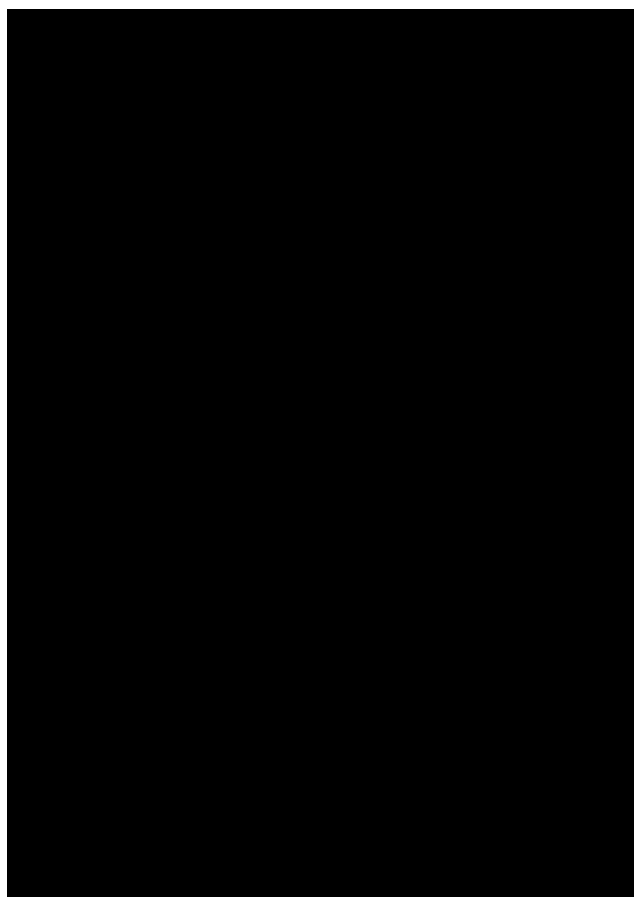
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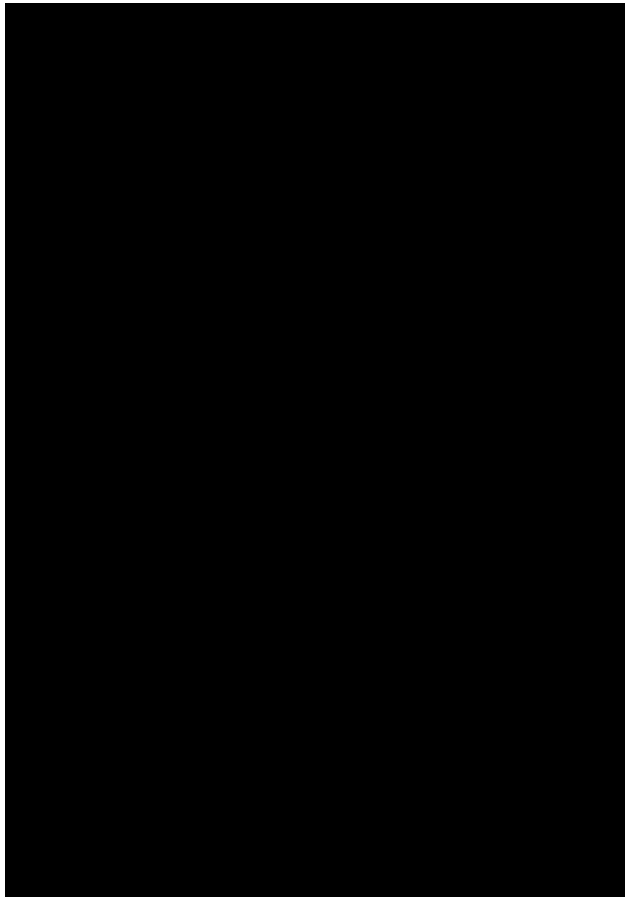
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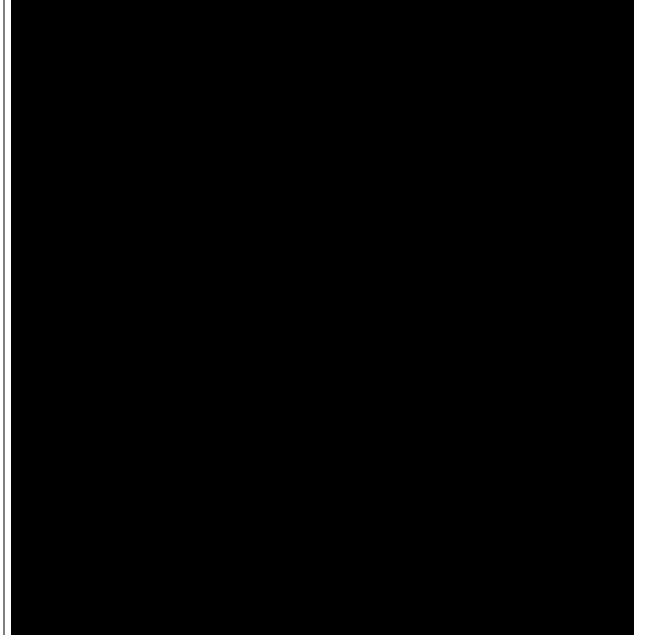
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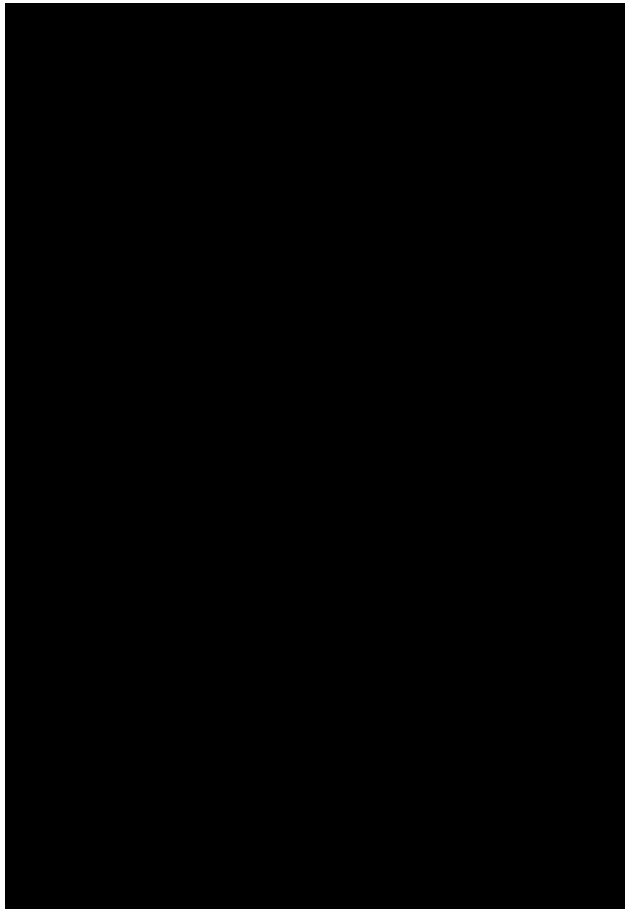


18 Q And did you have any -- do you have any,
19 as you sit here today, any specific recollection
20 of dealing with any issues or DEA compliance
21 issues in the state of Ohio?

22 A No.

23 Q Do you ever remember having any direct
24 dealings with any of the DEA field offices in

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1 Ohio?

2 A Not that I can recall, no.

3 Q Did you have any roles with respect to
4 suspicious order reporting either to the DEA field
5 office for Ohio or for the state reporting
6 requirements in Ohio?

7 A As I mentioned earlier, later on in my
8 role, one of the people that reported to me was
9 responsible for the reporting.

10 Q Right.

11 A But I didn't really get directly
12 involved in that.

13 Q Okay. And who -- remind me again, I'm
14 sorry, who was that person?

15 A Pete Schmidt.

16 Q Schmidt. Okay.

17 And you had -- as you sit here today,
18 you have no recollection of any failure to report
19 to the State of Ohio for any period of time while
20 you were in Regulatory, correct?

21 A The only thing I'm aware of, and I don't
22 remember all the specifics, for the state
23 reporting, I thought that at one point in time
24 they found an error with a report, that it wasn't

<p style="text-align: right;">Page 242</p> <p>1 pulling in all controls, that it was limited to 2 certain drugs, and then when they discovered that, 3 they corrected it. But that wasn't under my 4 responsibility. I just remember hearing about it. 5 Q Okay. And so have you reviewed or read 6 Sergio Tejeda's letter to the Ohio Board of 7 Pharmacy about failing to report to Ohio under the 8 required state law? 9 MS. FINCHER: Object to the form. 10 THE WITNESS: I don't recall reading the 11 whole letter, no. 12 BY MR. MIGLIORI: 13 Q Okay. Are you -- if this case is tried 14 in the fall of this year, in October or November, 15 are you available to testify as a fact witness? 16 A No. Can I say no? 17 Q Have you been asked to be available to 18 testify as a fact witness? 19 A No. 20 MR. MIGLIORI: Okay. I appreciate your 21 time. Thank you so much. 22 THE WITNESS: Thank you. 23 MS. FINCHER: Pass the witness now? 24 MR. MIGLIORI: Yes.</p> <p style="text-align: right;">Page 243</p> <p>1 MS. FINCHER: We'll reserve our 2 questions. 3 MR. MIGLIORI: Thank you very much. 4 THE VIDEOGRAPHER: 2:24, we're off the 5 video record. This concludes the video 6 deposition. 7 (Whereupon, the deposition of 8 TINA STEFFANIE-OAK was concluded 9 at 2:24 p.m.) 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24</p>	<p style="text-align: right;">Page 244</p> <p>1 CERTIFICATE OF CERTIFIED SHORTHAND REPORTER 2 The undersigned Certified Shorthand Reporter 3 does hereby certify: 4 That the foregoing proceeding was taken before 5 me at the time and place therein set forth, at 6 which time the witness was duly sworn; That the 7 testimony of the witness and all objections made 8 at the time of the examination were recorded 9 stenographically by me and were thereafter 10 transcribed, said transcript being a true and 11 correct copy of my shorthand notes thereof; That 12 the dismantling of the original transcript will 13 void the reporter's certificate. 14 In witness thereof, I have subscribed my name 15 this date: March 14, 2019. 16 17 _____ 18 LESLIE A. TODD, CSR, RPR 19 Certificate No. 5129 20 (The foregoing certification of 21 this transcript does not apply to any 22 reproduction of the same by any means, 23 unless under the direct control and/or 24 supervision of the certifying reporter.)</p> <p style="text-align: right;">Page 245</p> <p>1 INSTRUCTIONS TO WITNESS 2 Please read your deposition over carefully and 3 make any necessary corrections. You should state 4 the reason in the appropriate space on the errata 5 sheet for any corrections that are made. 6 After doing so, please sign the errata sheet 7 and date it. 8 You are signing same subject to the changes 9 you have noted on the errata sheet, which will be 10 attached to your deposition. It is imperative 11 that you return the original errata sheet to the 12 deposing attorney within thirty (30) days of 13 receipt of the deposition transcript by you. If 14 you fail to do so, the deposition transcript may 15 be deemed to be accurate and may be used in court. 16 17 18 19 20 21 22 23 24</p>
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1 ACKNOWLEDGMENT OF DEPONENT
2 I, _____, do hereby
3 certify that I have read the foregoing pages, and
4 that the same is a correct transcription of the
5 answers given by me to the questions therein
6 propounded, except for the corrections or changes
7 in form or substance, if any, noted in the
8 attached Errata Sheet.
9 _____
10 _____
11 TINA STEFFANIE-OAK DATE
12
13
14 Subscribed and sworn to
15 before me this
16 _____day of _____, 20____.
17 My commission expires: _____
18 _____
19 Notary Public
20
21
22
23
24